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INSURANCE IN FOREIGN COUNTRIES

SPECIAL CONSULAR REPORTS
VOL. XXXVIII



WASHINGTON
GOVERNMENT PRINTING OFFICE
1905

CONSULAR REPORTS.

The publications embodying reports from United States consular officers in foreign countries include the following:

- COMMERCIAL RELATIONS, being the annual reports of consular officers on the commerce, industries, navigation, etc., of their districts.
- REVIEW OF WORLD'S COMMERCE, being a summary of the annual reports contained in COMMERCIAL RELATIONS.
- MONTHLY CONSULAR REPORTS containing miscellaneous reports from diplomatic and consular officers.
- DAILY CONSULAR REPORTS, issued daily, except Sundays and legal holidays, for the convenience of the press, commercial and industrial organizations, manufacturers, etc.
- SPECIAL CONSULAR REPORTS, containing series of reports from consular officers on particular subjects, made in pursuance to instructions from the Department.

The above consular reports were, until July 1, 1903, issued by the Bureau of Foreign Commerce of the State Department; from that date to June 30, 1905, they were issued by the Bureau of Statistics of the Department of Commerce and Labor, with which the Bureau of Foreign Commerce of the State Department was consolidated July 1, 1903; since July 1, 1905, they have been issued by the Bureau of Manufactures, Department of Commerce and Labor. For details of these publications, the subjects of which the special reports treat, and the reports remaining for distribution, address "Chief, Bureau of Manufactures, Department of Commerce and Labor, Washington, D. C."

The publication of the reports on special subjects, in separate form, was begun in 1890. Those of the following titles are now available for distribution:

- Vol. 2 (1890 and 1891).—European Emigration; Olive Culture in the Alpes Maritimes; Beet-Sugar Industry; Flax Cultivation in Foreign Countries.
- Vol. 3 (1891 and 1892).—Coal and Coal Consumption in Spanish America.
- Vol. 10 (1894).—Extension of Markets for American Flour. (New edition, 1897.)
- Vol. 11 (1894).—American Lumber in Foreign Markets. (New edition, 1897.)
- Vol. 12 (1895).—The Drug Trade in Foreign Countries.
- Vol. 15 (1896).—Part I. Soap Trade in Foreign Countries; Screws, Nuts, and Bolts in Foreign Countries; Apples in Europe; Rabbits and Rabbit Furs in Europe; Cultivation of Ham in Foreign Countries.
- Vol. 17 (1899).—Disposal of Sewage and Garbage in Foreign Countries; Foreign Trade in Coal Tar and By-Products.
- Vol. 18 (1901).—Merchant Marine of Foreign Countries.
- Vol. 20 (1901).—Part I. Book Cloth in Foreign Countries; Market for Ready-Made Clothing in Latin America; Foreign Imports of American Tobacco; Cigar and Cigarette Industry in Latin America. Part II. School Gardens in Europe. Part III. The Slave Trade in Foreign Countries.
- Vol. 21 (1901).—Part I. Foreign Markets for American Coal. Part II. Vehicle Industry in Europe.
- Vol. 22 (1900 and 1901).—Part I. Acetic Acid in Foreign Countries. Part II. Mineral-Water Industry.
- Vol. 23 (1901).—Part I. Gas and Oil Engines in Foreign Countries. Part II. Silver and Plated Ware in Foreign Countries.
- Vol. 24 (1902).—Creameries in Foreign Countries.
- Vol. 25 (1902).—Stored Goods as Collateral for Loans.
- Vol. 26 (1903).—Briquettes as Fuel in Foreign Countries.
- Vol. 27 (1903).—Markets for Agricultural Implements and Vehicles in Foreign Countries.
- Vol. 28 (1904).—Commercial Travelers in Foreign Countries.
- Vol. 29 (1904).—Macaroni Wheat in Foreign Markets.
- Vol. 30 (1904).—Emigration to the United States.
- Vol. 31 (1904).—Windmills in Foreign Countries.
- Vol. 32 (1905).—Foreign Markets for American Fruits.
- Vol. 33 (1905).—Industrial Education and Industrial Conditions in Germany.
- Vol. 34 (1905).—Marketing Goods in Foreign Countries.
- Vol. 35 (1905).—Warehouses for Storage of Merchandise in Transit or in Bond.
- Vol. 36 (1905).—Foreign markets for American Cotton Manufacturers.
- Vol. 37 (1905).—Machine-made Lace Industry of Europe.

Of the MONTHLY CONSULAR REPORTS, many numbers are exhausted or so reduced that the Department is unable to accede to requests for copies. Of the publications of the Bureau available for distribution, copies are mailed to applicants without charge. In view of the scarcity of certain numbers the Department will be grateful for the return of any copies of the monthly or special reports which recipients do not care to retain. Upon notification of willingness to return such copies, franking labels to be used in lieu of postage in the United States, the Philippine Islands, Hawaii, and Porto Rico will be forwarded.

Persons receiving CONSULAR REPORTS regularly, who change their addresses, should give the old as well as the new address in notifying the Bureau of the fact.

In order to prevent confusion with other Department bureaus, all communications relating to CONSULAR REPORTS should be carefully addressed, "Chief, Bureau of Manufactures, Department of Commerce and Labor, Washington, D. C."

DEPARTMENT OF COMMERCE AND LABOR
BUREAU OF MANUFACTURES

INSURANCE IN FOREIGN COUNTRIES

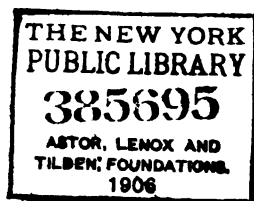
SPECIAL CONSULAR REPORTS
VOL. XXXVIII



WASHINGTON
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1905

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INSURANCE IN FOREIGN COUNTRIES.

INTRODUCTION.

On February 24, 1905, at the request of the Secretary of the Department of Commerce and Labor, the Department of State transmitted a circular letter to the consular officers of the United States in the various countries instructing them to make the necessary investigations into the subject of insurance (life insurance, special forms of insurance, and fire and marine insurance), prepare reports thereupon, and forward the same at their earliest convenience, with a view to their publication as a volume of special consular reports.

The circular embraced the following 21 interrogatories, which governed the scope of consular investigation and report:

(1) Are American life insurance companies operating in your district? If so, how many? (Names of companies not required.)

(2) What foreign companies other than those of the United States are operating in your district? Give names of companies and countries represented.

(3) Are there domestic companies operating in your district? If so, give names of companies.

(4) If American companies are operating in your district, what is the feeling, so far as you are able to gather, toward them on the part of the natives? Are they as popular with the natives as other foreign or domestic companies?

(5) Is there any discrimination in the local laws or on the part of the natives against American companies?

(6) Are any deposits required by law or governmental regulation to be made by an American or any other foreign company in the foreign country or province to qualify it to transact business therein? If so, what is the amount and character thereof?

(7) What amount of fees, taxes, or other payments is required of the company, either previous to authorization or on business subsequently transacted?

(8) What, if any, system of governmental supervision or regulation is established?

(9) What method is adopted for giving publicity to the affairs and condition of a company?

(10) What conditions are imposed to obtain the right to transact business in the country?

(11) Are any of the premium receipts of the company in such country required to be invested and held therein? If so, under what conditions?

(12) What amount of unimpaired capital is required of foreign life insurance companies operating in your country or district, and are such requirements uniform with reference to those of all countries?

(13) Same information with reference to fire and marine companies.

(14) Give information relative to all statutory or other requirements regulating the business of insurance in all its branches, or, in other words, a complete copy, if possible, of all the laws governing the insurance business. Special consideration should be given to the laws governing the business of American companies operating in foreign countries.

(15) If the general code of insurance laws does not include all the provisions governing the taxation of companies, report in detail the amount of taxes paid by insurance companies, making distinction, first, as to general taxes upon property; second, specific taxes upon premiums or surplus, and third, taxes in the

form of license fees, valuation fees, etc., including under the last-named term all expenses incident to the government supervision of insurance.

(16) If deductions are allowed to be made from the income tax on account of life insurance premium payments, please state the special laws governing such deductions and the amount annually deducted on this account.

(17) If American insurance companies transact business in your country state the extent of such business by the total number of policies and the total amount of insurance in force with all the companies, making distinction of the different forms of insurance, such as life, fire, etc., but do not in any case name companies.

(18) For tropical and semitropical countries, report whether higher rates are charged by life insurance companies to residents of such countries than to residents of the United States or Europe; and, further, whether a distinction is made in rates and premium charges between natives and American or European born. If possible, give specimen insurance rates for ages 20, 30, 40, 50, etc., for whole-life participating companies.

(19) If you have knowledge of any special forms of insurance or unusual methods of insurance carried on in the country in which you are located, such, for illustration, as flood insurance, strike insurance, etc., report in detail with regard to such.

(20) If the government of the country to which you are accredited transacts an insurance business give general particulars, distinguishing, however, between the different forms of insurance, such as accident, sickness, old age, invalidity, and pension schemes.

(21) If so-called fraternal insurance, or insurance by friendly societies, etc., is carried on in your country report upon the methods and extent of operations, particularly as to the number of policies in force, the amount of insurance in force, the total annual income of the societies, and the total annual amount paid to policy holders, if possible, for a period of ten years.

On the day following the issuance of the foregoing circular the Department of State transmitted an additional letter to our consuls, instructing them to incorporate in their insurance reports the losses by fires in their respective districts, and submitted for their guidance the following list of questions, which were drawn up by the National Board of Underwriters:

- (1) Name of place. Country.
- (2) Population. Area. square miles.
- (3) Number of brick and stone buildings.
- (4) Number of wooden buildings.
- (5) Number of alarms (count as an alarm everything that calls attention to a fire).
Of these how many were false?
- (6) Number of fires in brick or stone buildings.
Number of fires in wooden buildings.
Number of fires other than building fires
- (7) Number of fires confined in building or place of origin.
Number of fires extending to adjoining buildings only.
Number of fires extending beyond adjoining buildings.
- (8) Number of fires confined to floor on which they originated.
- (9) Total loss (insured and uninsured).
- (10) Losses on buildings and contents in which the fires originated, i. e., direct losses.
- (11) Losses on buildings and contents in which the fires did not originate, i. e., exposure losses.

Total.

Total.

These two totals should agree.

The replies to the foregoing circular letters compose this special volume of Consular Reports, in the following order: Part I, life insurance; Part II, special forms of insurance; Part III, fire and marine insurance, with which the losses by fires are incorporated.

PART I.

LIFE INSURANCE.

EUROPE.

AUSTRIA-HUNGARY.

While the laws in Austria-Hungary do not discriminate against foreign insurance companies, the business is burdened with heavy taxation and strict Government supervision. A rebate is allowed from taxed incomes for the amount paid in life insurance premiums. American companies have \$74,509,651 worth of insurance in effect in the Empire.

Consul F. W. Hossfeld, of Trieste, writes as follows of the conditions governing life insurance in the consular district of Trieste, which apply in general to all Austria-Hungary:

FOREIGN COMPANIES.

There are four American life insurance companies registered as doing business in this consular district. One of these companies, however, has not written any new policies since 1896, and confines its operations to winding up its old business. The foreign life insurance companies other than those of the United States are: Belgian, 1; British, 2; Dutch, 2; German, 10. Domestic life insurance companies to the number of 31 operate in the Trieste district, of which 14 are regular stock companies and 17 mutual.

American companies do only life insurance business in this district. The following table gives the number of policies and the total amount of insurance in the Austro-Hungarian monarchy in force with American companies on December 31, 1903:

Business in force with American companies.

Company.	Austria.		Hungary.	
	Policies.	Amount.	Policies.	Amount.
No. 1.....	5,910	\$12,201,396	5,172	\$3,270,545
No. 2.....	8,028	27,525,501	(a)	10,416,133
No. 3.....	4,687	6,445,556	(a)	1,077,515
No. 4.....	2,791	5,032,323	(a)	3,510,682

a Not reported.

There is no prejudice whatever against American insurance companies. They are fully as popular as other companies, foreign or domestic. It can not be said that the laws discriminate against American companies. While it is true that many of the older native companies have some advantages over the foreign companies now

doing business in this country, these advantages are, as a rule, charter privileges which are not now given to new native companies.

Companies making application for a concession are required to produce copies of their statutes, conditions of insurance, and rates. With the exception of the deposit hereafter mentioned, no condition is imposed to obtain the right to transact business.

GOVERNMENT SUPERVISION.

The ministry of the interior supervises all insurance companies. The various companies are required to file with the minister annual as well as special reports, and also copies of all printed matter relating to the condition of their business that they may wish to issue. Moreover, the minister may at any time cause the books of any company to be examined. Every company doing business in Austria must, before the 1st day of July of each year, publish in the *Wiener Zeitung*, the official organ of the Government, its balance sheet for the last calendar year. This balance sheet must be prepared according to a prescribed form, and must be submitted to the ministry of the interior for examination and approval previous to publication.

DEPOSIT REQUIRED AND TAXES LEVIED.

The law requires every stock company which desires to do business in Austria to deposit securities to the amount of 200,000 crowns (\$40,600) in the imperial treasury on the receipt of its concession. This deposit must be increased from time to time, so as to be at least equal to the full amount of the company's premium reserves. The deposit must consist of so-called "pupillary securities," or such domestic bonds and stocks as have been designated by the Government as permissible in the investment of moneys belonging to orphans and wards. The regulation requiring the deposit of the premium reserves applies to all companies doing business in this country.

All newly formed fire and marine insurance companies are likewise subject to the aforesaid law. These must also make an original deposit of 200,000 crowns. The companies which were already in existence when this law took effect were required to deposit whatever special reserve funds they then had.

In Austria every joint-stock insurance company must pay an annual business tax equal to 10 per cent of its net profits. If, however, a company's annual dividends exceed 10 per cent, it must pay an additional tax of 2 per cent on the excess up to 15 per cent, and an additional tax of 4 per cent on the excess above 15 per cent.

The so-called "mutual" insurance companies pay, in lieu of the business tax imposed on the joint-stock companies, a tax of 1 per mille on all premiums collected by them.

To the above State tax are added the levies of the provinces, districts, and communes in which the various companies maintain agencies. These levies differ greatly in the several localities, and in some instances the local taxes are considerably larger than the State tax. Besides this, a rather high stamp duty is imposed on every premium collected, viz, for an amount up to \$4.06, 3 cents; \$8.12, 5 cents; \$12.18, 8 cents; \$20.30, 13 cents; \$40.60, 26 cents; \$71.05, 38 cents; \$81.20, 51 cents; \$162.40, \$1.01; \$243.60, \$1.52; \$324.80, \$2.03;

\$406, \$2.13; \$487.20, \$3.05; \$649.60, \$4.06; \$812, \$5.08; \$974.40, \$6.09; \$1,136.80, \$7.11; \$1,299.20, \$8.12; \$1,461.60, \$9.14; \$1,624, \$10.15; \$1,705.20, \$10.61; for every \$81.20 additional, 51 cents.

Insurance companies are, however, not subjected to the payment of income taxes or license fees. Finally, each insurance company, whether native or foreign, is required to contribute annually the amount of 1,000 crowns (\$203) to the general insurance supervision fund of the Empire.

NEW TAX TO BE IMPOSED.

A new ruling of the Austrian exchequer will, if sustained, impose a new and quite burdensome tax on foreign insurance companies. As has already been stated, the law requires every foreign company to deposit annually with the treasurer of state an equivalent in Austrian securities of the full amount of the premium reserves which have accumulated during the year on all the policies which it has in force within the Empire. The deposit must be accompanied by a letter of dedication or transmission, and this document has heretofore not been subject to any stamp duty. According to the new ruling of the exchequer, however, such deposits are to be treated as official sureties, and the dedicatory letters accompanying them are subject to the same duty as letters transmitting official bonds or other sureties. This ruling is retroactive, and will, if sustained, impose on the several American companies doing business in Austria a back tax amounting to many thousands of dollars.

DEDUCTIONS FROM INCOMES.

In making returns of income for assessment purposes, every person may deduct an amount not exceeding 400 crowns (\$81.20) annually for life insurance premiums actually paid by him.

BELGIUM.

The insurance laws of Belgium are very liberal and do not discriminate in any way against foreign companies. United States companies are more popular than other foreign companies, but for some time the tendency has been away from all foreign and toward home insurance companies. There is no Government supervision and taxes are levied on the basis of the average tax on domestic companies. The annual business done by American companies in Belgium amounts to \$2,000,000. Government life insurance in Belgium is treated in Part II of this volume.

Consul Roosevelt, of Brussels, transmits the following report, covering the district of Brussels and all Belgium:

FOREIGN AND DOMESTIC COMPANIES.

There are five American companies operating in Brussels. The other foreign companies in the district are as follows:

French.—Abeille, Aigle, Assurance Generales, Caisse Paternelle,

Confiance, Conservateur, Foncier, Monde, Nationale (last two life and fire), Patrimoine, Phenix (last two life and accident), Union de Paris (life and fire), and Urbaine de Paris.

Swiss.—Baloise (and accident), Genevoise, and Swiss.

German.—Berlinoise, Germania, Hambourgoise, Leipzig, Stuttgart Lebensversich, and Victoria.

English.—Alliance, General, Gresham, and Standard.

Dutch.—Arnheim, De Nederlanden (and accident), Dordrecht, Generale Neerlandaise, Hollandsche Societeit, Kosmos, Noord Brabant, Pietas, Premiere Neerlandaise (and accident), and Wheeht.

Belgian.—Phore, Populaire (cooperative), Prevoyance et Credit (and accident and fire), Prevoyance et Solidarite, Provinces Reunies (and fire and hail), Royale Belge (and accident), Sauveur, Union des Proprietaires Belges (and fire and accident), Union Generale (and accident), Union Syndicate (and fire), Victoire, and Vraic Mutuelle.

AMERICAN COMPANIES.

For some considerable time the tendency here has been very much in favor of Belgian companies. Although American insurance companies are more popular than other foreign insurance companies operating in this district, there is a decided opposition to them by other insurance companies established here. There is no discrimination in the local laws against American companies.

The five American life insurance companies in this district transact an average annual business of from \$1,765,950 to \$2,123,000 on from 1,440 to 1,930 policies.

TAXATION.

Taxes are levied on foreign companies according to the average exacted from Belgian companies, with the usual license, communal taxes, and land tax in case the companies are owners of real estate. No deposit is required before a company may transact business, premium receipts need not be invested or held in this country, no unimpaired capital is required, and there is no governmental supervision. On the other hand, no deduction is made from the income tax because of premiums paid for life insurance. The statutes of companies are usually published in the *Moniteur Belge*, the official journal of the Belgian Government, and with them are usually given the names of the company's attorneys.

LAW OF LIFE INSURANCE IN BELGIUM.

Consul-General Howe, of Antwerp, says:

The insurance of one's own life or of the life of a third party is valid according to Belgian law, which respects the terms of the contract between the parties, excepting in the contract of insurance on the life of a third party, when, if it is proven that the party insuring had no interest whatever in the existence of the third party it is not valid. The insurance company is not liable when the death of the party insuring his own life results from capital punishment, a duel, or voluntary suicide, or when death is the immediate result of a crime or misdemeanor committed by the party insured, the consequences of which he was able to foresee.

LIFE INSURANCE COMPANIES IN GHENT.

Consul Mowrer, of Ghent, writes:

There are three American life insurance companies operating in this consular district. Foreign companies other than American are: One German, 3 Dutch, 5 French, 1 English, and 1 Swiss. The domestic companies in Ghent are *Compagnie Belge d'Assurances Générales*, *Propriétaires Réunies*, and *La Securitas*. American companies are well received, and agents say the feeling toward them is friendly. There is no discrimination whatever in the local laws or on the part of the people against American companies.

FRANCE.

A law completely changing the status of foreign insurance companies by placing them under the same restrictions and supervision as French companies went into effect March 17, 1905. It places great obstacles in the way of the accumulated profits system of insurance, so popular in the United States. All life insurance companies doing business in France are required to pay a license fee of 6,000 francs (\$1,158) and a department tax of 100 francs a year, and all policies must be stamped at the rate of 2.4 francs a thousand (46 cents on \$103). It is estimated that 50,000 life insurance policies issued by the American companies and representing a maturity value of \$200,000,000 are held in France and Algeria. There is no prejudice against American companies, although the liberal terms of their policies make them serious competitors for the home companies. For government and mutual insurance in France see Part II, this volume.

LIFE INSURANCE LAW OF FRANCE.

Consul-General Skinner, of Marseille, transmits the following translation of the law relative to the inspection and control of life insurance companies in France and of all enterprises in the operation of which the direction of human life enters, passed March 17, 1905:

REGISTERING ENTERPRISES.

ARTICLE 1. French and foreign enterprises of any nature, which contract engagements the execution of which depends upon the duration of the human life, are subject to the present law. The exceptions are those societies defined by the law of the 1st of April, 1898, in regard to the societies of mutual aid and the institutions of public and private charity regulated by special laws.

ART. 2. These enterprises must limit their operations to one or several of those that form the object of the present law. They are forbidden to stipulate or realize the execution of contracts or to realize benefits by means of lottery. They can operate only after having been registered, upon their request, by the minister of commerce. In the maximum delay of six months, to date from the deposit of the request, the minister of commerce causes the registration to be inserted in the Official Journal or notifies the interested parties of the refusal of registration. No modification, either in the statutes or in the rates of premium or assessment, can be put in force until after new registration is obtained in the same form.

ART. 3. The refusal of registration is caused by an infraction either of the laws, notably those that regulate the societies, or of the decrees provided for by article 9. The interested parties can have recourse for excess of power before the council of state, which will decide within the three months.

GUARANTIES.

ART. 4. For French companies, both anonymous and stock, the statutes are to specify the obligatory dissolution in case of the loss of half of the capital. For companies, mutual or annuitant in form, the statutes determine the mode of regulation of sums collected, as well as the quota of previous deductions destined for the expenses of carrying out the enterprise.

ART. 5. French companies, anonymous or stock, must have a capital equal to at least 2,000,000 francs (\$386,000). French companies, mutual or annuitant in form, shall, at their establishment, constitute a fund which must not be less than 50,000 francs (\$9,650), and which must be redeemed in fifteen years at the latest. All enterprises are bound, moreover, according to the conditions provided for by article 9, paragraph 4, to constitute a guaranteed reserve, which takes the place of the previous deduction prescribed by article 36 of the law of 24th July, 1867. However, this reserve is not obligatory for operations in the annuitant form.

ART. 6. All enterprises which contract fixed engagements are bound to constitute mathematical reserves, equal to the difference between the values of the engagements respectively taken by them and by the insured parties, according to the conditions determined by the decree provided for by article 9, paragraph 5. This obligation does not apply to foreign enterprises, except as to contracts subscribed or executed in France or in Algeria. The enterprises will produce at the period and in the forms determined by the minister, and according to the advice of the consultation committee with reference to life insurance, provided for by article 10, the comparison: (1) Between the real mortality of their insured persons and the mortality indicated by the tables approved for the calculation of their mathematical reserves and of their rates; (2) between the rate of their actual investments and that which has been approved by the above calculations. In case of marked and repeated differences bearing on one of these elements, ministerial resolutions may require, at the most every five years, a rectification of the bases of the calculation of the mathematical reserves of operations in progress, and of the rates of premiums or assessments.

These resolutions are taken upon advice conformable with the consultation committee of life insurances, the representatives of the enterprise having been heard and requested to furnish their observations in writing within a month. They fix the period in which the rectification must be made; the sum of the payments correlative to the rectifications of the mathematical reserves must be, at the end of each fiscal period, at least proportional to the fraction of the lapse of time. Tontine companies are obliged to make, according to the conditions fixed by the decree provided for by article 9, paragraph 7, immediate use of all assessments, deduction made of the statutory expenses of administration.

ART. 7. When the premiums coming due to those injured are not payable immediately after the liquidation of the fiscal period which has produced them, an individual account must mention each year the part of these premiums attributed to each of the contracts subscribed or executed in France or Algeria, and to be addressed to the insured parties. To the amount of the mathematical reserves and of the guaranteed reserve, as well as of the amount of the accounts specified in the preceding paragraph, the assets of French enterprises are affected in the regulation of insurance operations by a privilege which will take rank after paragraph 6 of article 2101 of the Civil Code.

As for foreign enterprises, the securities representing the portion of corresponding assets must, with the exception of real estate, be deposited in the "caisse de dépôts et consignations," according to the conditions provided for by article 9, paragraph 6. The sole fact of this deposit confers privilege to the insured, upon the said stocks, for contracts subscribed or executed in France or Algeria.

ART. 8. A regulation of public administration, rendered upon the proposition of the minister of commerce and the minister of finance, determines the personal property and real estate in which the investment of the assets of French enterprises shall be made, and for foreign enterprises, of the portion of assets allotted to the contracts subscribed or executed in France or Algeria, as well as the mode of the annual evaluation of the different categories of investments and the guaranties to be presented for the stocks which could not have the nominative form. The enterprises are obliged to state to the minister, in the forms and periods which he prescribes, according to the advice of the consultation committee, the periodical condition of modifications in the composition of their assets.

ART. 9. Decrees rendered according to the advice of the consultation committee of life insurance provided for by the following article determine (1) the papers and justifications to be produced in support of the requests of registration, as well as the sum of the previous deposit to be made to the "caisse de dépôts et consignations" by the different categories of enterprises and the conditions of realization and of the restitution of the said deposit; (2) the period past which the registration of an enterprise which should have commenced to operate will cease to be valid; (3) the maximum of expenses of first establishment for the different kinds of French enterprises and the period of redeeming of the said expenses; (4) the fixing for each category of enterprises of the guaranteed reserve; (5) the different tables of mortality, the rate of interest, and the charges from which must be calculated, at the minimum, the premiums or assets, as well as the mathematical reserves; publication of these ratings is made in the Official Journal at least six months before the beginning of the first fiscal period to which they are to be applied; (6) the conditions of deposit and withdrawal of securities representing, for the foreign enterprises, the portion of assets referred to in article 7; (7) the conditions on which enterprises in tontine form must be carried on; (8) the conditions on which the enterprises are bound to inscribe upon special register the contracts subscribed or executed in France and in Algeria; (9) the conditions under which life insurance companies must operate, and according to which may be appropriated the expenses of administration within the limits of a fixed maximum. These enterprises must deposit in the "caisse des dépôts et consignations" a guaranteed capital of 100,000 francs (\$19,300). They can not operate validly beyond an initial period of twenty years, at the expiration of which their authority will not be renewed for periods of more than ten years. Each renewal will be effected but one year before the expiration of the actual period.

INSPECTION AND CONTROL.

ART. 10. There is constituted, with the minister of commerce, a consultation committee on life insurance, composed of 21 members, to wit: Two senators and three deputies chosen by their colleagues, the director of insurance and of savings associated with the minister of commerce, the general director of the "caisse des dépôts et consignations," a representative of the minister of finance, three members of the Institute of French Actuaries, the president of the chamber of commerce or a member of the chamber delegated by him, a professor of the Faculty of Law of Paris, two directors or administrators of insurance companies, mutual or tontine, two directors or administrators of insurance companies, anonymous or stock, four persons especially competent in matters of life insurance.

A decree determines the mode of nomination and of the renewal of members, as well as the designation of president and vice-president and secretary. The committee must be consulted upon the subject of requests of registration provided for by article 2, and in the other cases provided for by the present law. All other questions relative to the application of the law may be taken in charge by the minister. The presence of at least nine members is necessary for these deliberations in the cases specified in the third paragraph of article 6, and article 18 to article 21.

ART. 11. Every enterprise is obliged (1) to publish in French an annual rendered account of all its operations with the statements and tables annexed; (2) to produce the said rendered account to the minister of commerce and to deposit it in the register of the civil courts and of the courts of commerce of the department of the Seine, as well as of the headquarters department; (3) to deliver it to every insured person or member who makes a request for it by means of payment of a sum which shall not exceed 1 franc; (4) to publish annually and at their expense in the Official Journal a summarily rendered account, comprising the following: The general account of profits and losses, the general balance of statements, and the general movement of actual operations.

Ministerial decrees taken according to the advice of the consultation committee on life insurances determine at least three months before the beginning of the fiscal period the forms of statement and tables to be annexed to the published rendered account, the date of production and of deposit of the rendered account, the form and period of the publication prescribed in the Official Journal. The enterprises must, furthermore, communicate to the minister, at any time and in the forms and periods which he may determine, all the documents and explanations that may seem necessary to him. These are sub-

mitted to the inspection of commissary comptrollers, who are under oath, and who will be selected according to the conditions determined by decrees, according to the advice of the consultation committee on life insurance, and who will be able at any time to verify all the operations independently of all persons exceptionally delegated by the minister to this effect.

ART. 12. Foreign enterprises must, in that which concerns the operations ruled by the present law, have in France and Algeria a special seat and a special accountability for all contracts subscribed or executed in France and Algeria. They must accredit to the minister of commerce an agent appointed for the direction of all these operations. This agent must be domiciled in France; he alone represents enterprises before the minister, as regards the titularies of contracts subscribed or executed in France or Algeria and before the courts. He must first furnish justification in the form of sufficient statutory powers for the direct administration of the enterprises in France and in Algeria, notably for the signing of policies, summonses, receipts, and other documents relative to realized operations. Every enterprise is bound to produce to the minister of commerce, in the period which he may determine, the translation into French, duly certified, of the documents in the foreign language relating to its operations and for which this translation is required. The conditions, both general and detailed, of policies, summonses, and other documents relating to the execution of contracts must be repeated or translated into French. In this latter case the French text alone is the standard with French persons who are insured.

ART. 13. The minister of commerce presents each year to the president of the Republic, and causes to be published in the Official Journal, a general report upon the working of the present law and upon the situation of all the enterprises which it regulates. The expenses of all kinds resulting from the inspection and control are at the charge of the enterprises. A ministerial decree fixes, at the end of each fiscal period, the division of these expenses among the enterprises pro rata, and with the total amount of premiums and assessments of every kind collected by them in the course of the fiscal period; exceptions made of the operations realized outside of France and Algeria by foreign enterprises, and provided further that the contribution of any of such enterprises shall not exceed one one-thousandth of such total. There is annexed thereto the detailed statement of the receipts and expenses involved in the inspection and control of the enterprises.

PENALTIES.

ART. 14. The enterprises are liable, of right and without previous notice, to administrative fines, recovered as in the case of registration at the request of the minister of commerce, viz:

(1) A fine of 20 francs (\$3.80) per day for delay arising in connection with each of the productions referred to in the third paragraph of article 11 and the second paragraph of article 12; (2) a fine of 100 francs (\$19.30) per day for delay arising in each of the productions or publications referred to in paragraph 2 of article 6 and paragraphs 1, 2, and 4 of article 11.

ART. 15. Infractions of the requirements of paragraphs 1 and 3 of article 6, paragraphs 1 and 3 of article 7, and articles 8, 20, and 21, as well as of the decrees provided for by paragraphs 3 to 8 of article 9, are stated by verbal processes of the commissary comptrollers, which hold good until proven to the contrary, without prejudice to declarations and pursuits of common law; they are laid before the "tribunal correctionnel" at the request of the public minister, and are punished by a fine of 100 to 5,000 francs (\$19.30 to \$965), and in case of a second offense from 500 to 10,000 francs (\$96.50 to \$1,930).

ART. 16. Any person who may have proposed or caused life insurance policies to be subscribed, and especially each one of the administrators or directors of enterprises which realize from the operations referred to in the present law, before the publication in the Official Journal of the registration provided for by article 2, or who effects new operations after the publication of the decree provided for by article 18, or after the refusal of the registration provided for by article 19, is prosecuted before the "tribunal correctionnel," and is liable to a fine of 16 to 100 francs (\$3.09 to \$19.30). The fine is pronounced for each one of the operations performed by the offender, who may be in addition, in case of second offense, condemned to an imprisonment of one month at the most.

Under the same penalties, advertisements, circulars, and all other documents destined to be distributed to the public or published by an enterprise subject to the present law, must always bear after the name or trade designation of the

enterprise the following statement, in uniform characters: "Private enterprise, subject to the control of the State," without the addition of any insertion capable of misleading, either as to the true nature or real importance of the operations or as to the extent of the control. Every fraudulent declaration or dissimulation, either in the accounts rendered or in any other documents produced to the minister of commerce brought to the knowledge of the public, is punished by fines provided for by article 405 of the Penal Code. Article 463 of the Penal Code is applicable to all acts punished by the present and preceding articles.

ART. 17. Judgments pronounced against enterprises or their representatives, in execution of the preceding article and of article 15, must be published, at the defaulter's expense or that of the enterprise civilly responsible, in the Official Journal, and in at least two other journals designated by the court.

ART. 18. The registration of an enterprise, effected by virtue of article 2 of the present law, ceases to be valid as soon as a decree states that the enterprise no longer works in conformity either with the statutes or with the present law, or the decrees or resolutions which it provides for. This decree is rendered according to advice from the consultation committee upon life insurance, the representatives having been apprised in regard to furnishing their observations in writing or being heard within the period of one month from the communication of the irregularities charged against the enterprise. The committee must give its opinions, with reasons, in the following month. In the period of a week from the time of notification of the decree the enterprise may lodge a complaint, on the ground of excess of power before the council of state, which must act within the month. This appeal is suspensive. The publication of the decree in the Official Journal will be made only after the rejection of the appeal by the council of state.

ART. 19. French or foreign enterprises submitted to the present law, and operating in France or Algeria at the time of its promulgation, are bound to conform immediately to these dispositions, and particularly to that of registration specified in article 2, within a period of two months, dating from the promulgation of the rules of public administration provided for by articles 8 and 22, as well as the decrees provided for by article 9. They can provisionally continue their operations until an answer be given to this request.

ART. 20. French enterprises regularly authorized by virtue of the legislation in force will be able, after obtaining the registration specified in article 2, to modify without authorization from the Government their approved statutes provided that they conform to the legislation regarding companies. In derogation of article 5, above mentioned, they will not be obliged to raise their capital to the minimum specified in the said article. They will be able, furthermore, if they obtain the registration provided for in the previous article, to keep the investments formerly effected by them in conformity with their statutes, without taking into consideration the limitations imposed by the regulation of public administrations provided for by article 8, on the condition of not making, from the date of its promulgation, any investments in the categories for which the fixed limits will be reached or passed and until the lawful proportion may be established.

The use in investments upon the first mortgage for half, at the most, of the estimated value can, during a maximum period of twenty-five years, be renewed for a sum equal to that which the said enterprise devoted to this employment previous to July 1, 1904.

ART. 21. For each of the enterprises registered by the application of article 19 a ministerial order, issued upon advice from the consultation committee upon life insurance, fixes, in the conditions specified in the paragraph preceding the last of article 6, the bases of the calculation of the mathematical reserves of the operations realized before the decree provided for by paragraph 5 of article 9 was put in force.

ART. 22. The first paragraph of article 66 of the law of July 24, 1867, together with all other dispositions relative to tontine and life insurance companies, are abrogated. A public administrative regulation will determine the conditions under which life insurance, either mutual or tontine in form, may be constituted.

ART. 23. The present law is applicable to Algeria and to the colonies of Réunion, Martinique, Guadeloupe, Guiana, French India, and New Caledonia. The present law, deliberated and adopted by the Senate and Chamber of Deputies, will be executed as law of the State.

FRENCH, ENGLISH, AND SWISS INSURANCE SYSTEMS.

Consul Haynes, of Rouen, writes as follows concerning French, English, and Swiss life insurance systems:

Life insurance companies in France have grown immensely rich within recent years. They have offered such advantageous and seductive combinations as to have gathered many takers, especially among people in modest conditions. Without entering into details concerning the new law, it may be noted that in forming it the legislature had to make a choice between two opposite and well-known systems—the English and Swiss. In England the takers of policies are supposed to be sufficiently interested to see that the insurance companies are properly managed. In Switzerland the takers do not show such interest, and so the State takes the matter in hand.

It seems that the first is more reasonable, if for no other reason than that it is more liberal. But it has not been adopted by the framers of the new law in this country. "To have adopted it," says one of the most prominent financiers, "would have been no step toward remedying the lamentable catastrophes of the past." Certainly, there are many things which could be good in England and bad in France, and in respect to a law of this kind education and custom have much to do. The new law compels life insurance companies to carry a certain reserve, to show annually their condition, and to make certain investments, all under the inspection of a consulting committee and the direct control of commissioners, who may assess penalties, or, in very grave matters, bring suits before the correctional tribunals. Hereafter foreign societies will be governed by the same laws as those of France.

FOREIGN COMPANIES AND THE NEW INSURANCE LAW.

Consul Atwell, of Roubaix, transmits the following information concerning the effect which he considers the new French insurance law will have on foreign companies operating in France:

Affected by the new law are five American companies and the following belonging to the different countries of Europe: La Balois, Switzerland; *Compagnie Nederlanden*, Holland; La Dordrecht, Belgium; *Le général vie de Zurich*, Switzerland; La Gresham, England; Le Kosmos, Holland; *Assurances générales de Trieste*, Austria; Liverpool, London and Globe, England; Northern Insurance Company, England; The Ocean, England; Royal Insurance Company, England; *Société général Neerlandaise*, Holland; *Société Suisse de Winterthow*, Switzerland; The State, England; La Victoria, England; Union Marine Insurance Company, England; The Utrecht, Switzerland; La Zurich, Switzerland; The Sun of Canada, Canada.

Contrary to former conditions, the new law places all companies on equal footing. Hitherto foreign companies were not obliged to submit themselves to the control of the State. It sufficed to have authorization from the minister of commerce to commence and continue operations in France. This authorization was administrative and revocable. The present law requires that both French and foreign companies will not only submit themselves to the control of the State, but must make a special demand to the minister of com-

merce for authorization. This authorization can only be refused in the case when a company can not comply with the requirements of the decrees, which are to be issued in the near future.

From the text of the law it is permitted to infer that these decrees will be trying upon the organization and future operations of foreign companies. French companies have always been subject to a quasi control of the State. The new law will, as it now reads, render practically impossible certain combinations practiced by American companies, such as policies of accumulation. According to article 7 of the new law an individual account must mention yearly part of the benefits attributable to every policy holder, and this account must be delivered to the interested person. This clause naturally presents a great obstacle to the American policy of accumulation, according to which the benefits are not known until the expiration of the insurance.

The Government control of French insurance companies, as it was enforced up to the present day, consisted in remitting to the minister of commerce at the end of every six months a statement of the operations effected by the company. No records or accounts are on hand or obtainable whereby it is noted that these statements were ever contested or even verified. The new law provides, however, the institution of a consulting committee on insurance and an organization of inspectors, who from time to time will verify the transactions of insurance companies. The expense of this control and the payment of salaries to the inspectors are to be supported by the insurance companies. Judging from the fixed tax of 1 per 1,000 of the sums annually received as premiums, and taking as a base the amount of premium money paid at present yearly in France, the annual income to these committees will amount to something like 800,000 francs (\$154,400) per year. The Government control authorizes but will not guarantee life insurance companies and their transactions.

The new law has its transitory dispositions in order that foreign companies may prepare to submit to the new regulations. As soon as the decree makes known the attitude of the Government toward these societies, a delay of two months will be accorded for submission. There is no doubt that the foreign companies will experience much difficulty in complying with the requirements, inasmuch as the combinations of insurance put forth by these companies, as well as the international character of their organizations, is at variance with the present legislation. In the case of foreign companies wishing to withdraw from future operations in France, the law is silent as to the situation of the company toward the policy holder. It is, however, generally supposed that foreign companies will do their utmost to continue doing business in France, and a means will be found for conciliation.

AMERICAN COMPANIES.

Leaving aside the opposition shown repeatedly by domestic companies, American life insurance companies enjoy a certain popularity among the French people. This popularity is due to the lower premium rates and the advantageous combinations offered to the public. There is not the least doubt but that this sentiment would undergo a great change to the detriment of American companies if

an equality in premiums were established, which is a likely thing to come about by the enforcement of the new law, for it provides for a minimum of tariff. American companies in that case, being handicapped by the restriction of the accumulation policy, will have to depend upon their life policies at fixed terms, which, nevertheless, are still cheaper than those of the French companies. It may be mentioned here that a sentiment prevails to the effect that in case of contest policy holders of American companies have recourse against them before American courts. This opinion, although erroneous, is very widespread and hard to destroy, notwithstanding the contrary has been shown before French courts in the different localities where no discrimination is made between American and French companies.

More advertising is done by foreign than domestic companies. Of late years French companies are resorting more and more to American methods of advertising, and have copied to a great extent not only the systems of policies put forth by American companies, but also the manner of bringing them before the public.

EFFECT OF THE NEW LAW ON AMERICAN COMPANIES.

Consul Bruno, of St. Etienne, submits a copy of the new law and gives his views as follows as to its probable effect on American companies doing business in France:

Not alone the organization, but the method of operating is also subject to control, since a decree of the State fixes the minimum of the premium according to the age of the person to be insured. This clause gave rise to a certain amount of criticism in the Senate, as many members could not understand why the State should fix a minimum premium, and asked should it not rather be a maximum. But the supporters of the bill replied that competition would be sufficient to impose a limit to the profits, while a law was necessary to establish a minimum rate for the premiums to prevent unscrupulous companies from defrauding the public by the apparent cheapness of their rates. Having provided for the regularity of the constitution of the companies, the law of March 17, 1905, makes the necessary prescriptions to insure as far as possible a good method of operating. It obliges them to constitute adequate mathematic reserves and to the amounts thus determined it adds, under the name of a guaranty fund, a certain supplement. Besides this, the law prescribes a list of properties (real estate) or securities wherein the companies are obliged to place their funds, and confers on the policy holders a claim on the assets of the companies.

The fulfilling of these prescriptions is guaranteed by different measures: First, by the obligation imposed on the companies to publish annually a complete report of all their operations, to be forwarded to the minister of commerce and to every policy holder who may ask for it; second, by the creation of a corps of Government inspectors with power to verify at the principal or branch offices of the companies all their operations and to report to the minister of commerce, who is in turn assisted by a consulting body of 21 persons competent to pronounce on insurance affairs; third, by the power conferred on the minister of commerce to impose on the companies any modifications that may be judged necessary either

as regards the rates or the evaluation of the assets. All these prescriptions are common to both French and foreign companies; these latter, however, are obliged to make a special inventory of their business transacted in France and Algeria so as to determine exactly the importance of the engagements to which the law is about to be applied; to place, in conformity to the French law, the total of the reserve fund corresponding to these engagements, and to deposit these securities as a guaranty of their engagements incurred in France and Algeria. Such are the principal features of the law which is to govern life insurance companies henceforth.

How far does this new legislation affect the American companies? Very considerably. And, indeed, it may be said that some of the articles, and in particular article 7, strikes a heavy blow to future operations. It reads as follows:

When the profits due to the policy holders are not payable immediately at the end of the financial year which produced them, an individual account must mention each year the portion of these profits attributed to each of the contracts subscribed or executed in France or Algeria and addressed to each of the policy holders.

The American system being that of accumulation of profits, the companies will find it very difficult to conform to the law. They will be obliged to alter their methods of transacting business in France.

PREMIUM RATES.

The following comparative table will give an idea of the premiums asked by some of the different companies operating in France:

Premiums asked per 1,000 francs (\$193).

Age.	Premiums.			
	American companies.		French companies.	
	Francs.	Dollars.	Francs.	Dollars.
25	50.18	9.685	50.50	9.746
30	50.96	9.895	51.40	9.980
40	53.96	10.418	55.00	10.615
50	62.15	11.985	63.00	12.275

The foregoing are demanded for a mixed policy of twenty years' duration, twenty premiums.

AMERICAN COMPANIES IN CALAIS.

Consul J. B. Milner, of Calais, submits a copy of the new insurance law, and gives the following information concerning life insurance companies operating in his district:

Three American life insurance companies are operating in this consular district. There are also seven foreign companies other than American and eight domestic companies.

The practicability of American life insurance is perhaps the greatest motive in inducing the assured to give it the preference. The United States being far away is an obstruction which must be over-

come by argument to convince the party contemplating insurance of the absolute reliability of the company. As to prejudice against American insurance, it can not be said to exist any more than in other transactions of a commercial character.

American life insurance is even more popular here than the life insurance of other foreign countries, and perhaps has reached a popularity equal to if not greater than that of the domestic companies.

FOREIGN COMPANIES IN NICE.

Of the life insurance companies doing business in the Nice district, Consul H. S. Van Buren reports:

There are three prominent American and four other foreign life insurance companies operating in this consular district. Toward American companies operating here the local feeling, as far as I am able to gather, is favorable in general. I attribute this to the good relations existing between the two countries, and I have ascertained that the success which the agents of our companies have met here is due to the better terms offered by our companies, the activity displayed by the agents, and to the introduction, to a certain extent, of progressive methods of doing business, suggested and perhaps insisted upon by the home offices. There is no discrimination whatever in the local laws or on the part of the people against foreign companies.

The three American companies operating in life insurance here do a business covering about 25,000,000 francs (\$4,825,000) annually, upon which the premiums amount to about 450,000 francs (\$86,850). Besides this it may be calculated that they collect in sums destined to be sunk in annuities not less than \$77,200 per annum. It is impossible to obtain information concerning the number of policies in force, details concerning premiums, and touching the operations of each company, the books of the agents being subject to examination only by the officials of the respective companies. As it is, I have experienced considerable difficulty in obtaining the information contained in this report.

Companies of all kinds operating here make no distinction between residents of tropical and semitropical countries and those of the United States and Europe.

INSURANCE IN PARIS.

Consul-General J. K. Gowdy reports as follows concerning the companies doing business in the Paris district:

There are four important American life insurance companies operating in this consular district. Almost all other foreign insurance companies, with the exception of the German, have offices in Paris.

The names of the domestic companies operating here are: Abeille, 57 Rue Taitbout; Aigle, 44 Rue Chateaudun; Caisse Paternelle, 4 Rue Ménars; Cie. Générale d'Assurance, 87 Rue de Richelieu; Soleil, 44 Rue de Chateaudun; Confiance, 2 Rue Favart; Epargne Dotale, 13 Rue Laffitte; Européenne, 51 Rue de la Chaussée d'Antin; Foncière, 17 Rue Louis le Grand; Fourmilière, 23 Rue de Louvre; La France, 14 Rue de Grammont; Le Monde, 16 Rue Le Peletier;

Mutuelle Lyonnaise, 2 Rue Taitbout (head office Lyon); Mutuelle Parisienne, 34 Rue de Provence; Mutuelle Vie, 2 Place du Théâtre-Français (head office Rouen); Nationale, 2 Rue Pillet Will; Ouest, 5 Boulevard des Capucines; Patrimoine, 59 Rue Taitbout; Persévérance Française, 39 Rue de Chateaudun; Phénix, 33 Rue La Fayette; Populaire, 30 Avenue de l'Opéra; Première, 7 Rue Riboutte, Prévoyande Foncière, 16 Rue de la Grange Batelière; Prévoyante, 3 Rue d'Hauteville; Sauveur, 14 Rue Taitbout; Union, 9 Place Vendôme; Urbaine, 8 Rue Le Peletier; Vraie Mutuelle, 17 Boulevard de la Madeleine.

STANDING OF AMERICAN COMPANIES.

The American companies operating in this district are very popular, and indeed the domestic companies look upon the success of the foreign invasion into their ranks with some alarm. There is no discrimination, however, on the part of the French people against American companies. The business of the American companies in France can be approximately estimated as representing a total amount of assurance in force of over \$200,000,000 on the lives of about 50,000 policy holders.

TAXES ON INSURANCE IN RHEIMS.

Consul W. A. Prickett, of Rheims, submits a copy of the new law and reports four American and five other foreign life insurance companies transacting business in that district. Nearly every French life insurance company operates in the district.

American companies are more popular with the French than other foreign companies and fully as popular with progressive French people as domestic companies. Neither in general nor local laws is there any discrimination against American companies. The new general law in regard to life insurance companies, published in the *Journal Officiel* of March 20, 1905, will submit all companies, foreign and domestic, to supervision.

Companies are required to deposit their by-laws with the record office of the Tribunal Civil de la Seine. There is a Government license fee, amounting annually to about 6,000 francs (\$1,158), to which must be added 100 francs a year for each department in which business is transacted. There are no special fees, taxes, or other payments, except a policy tax. All policies must have stamps affixed according to the premium paid, at the rate of 2.40 francs per 1,000 francs (about 46 cents on \$193), and this tax is paid by the assured at the time of taking out the policy.

AGITATION AGAINST AMERICAN COMPANIES IN ST. ETIENNE.

Consul H. S. Brunot, of St. Etienne, transmits the following concerning the insurance companies and business in his district:

In the city of St. Etienne there are four American and six other foreign life insurance companies. The American companies enjoy an excellent reputation among the educated classes, who easily grasp their business-like methods, which differ completely from the French system. The intended policy holder is ready, when he understands

the benefits of the American method, to accept the terms, which are much more advantageous than those offered by the domestic companies, provided he carries out the contract to the end. The companies give him a benefit participation in the profits on the accumulating system at the same rates as the French companies offer without participation.

The ordinary public, however, frequently fail to see the advantage of this method and prefer the domestic companies, perhaps from fear of possible litigation in the future, when they might have to contest their claims at the head offices of the foreign companies—that is to say, abroad—more than from any other cause. The American companies are therefore held in good esteem by the intelligent class of the population, but are not eagerly patronized by the ordinary public. The American insurance companies enjoy the same rights and privileges as the French companies. No let nor hindrance is placed in their way. Provided they conform to the law they are absolutely free to establish themselves anywhere in this country. The same may be said of every other foreign company.

Consequently, and by reason of their special mode of profit sharing, they have become serious competitors to the French companies, and these naturally resent the competition by every means. Newspaper articles accusing the American companies of practicing fraud were written in profusion some time ago, while pamphlets and circulars to the same effect were scattered throughout the country. But all illegitimate opposition has been lived down and the American companies continue to prosper.

INSURANCE IN GRENOBLE AND NANTES.

Consul C. P. H. Nason, of Grenoble, reports that there are three American and four other foreign life insurance companies operating in the Grenoble district. American companies are held in high esteem, and are seemingly as popular as other companies, nor is there any discrimination locally against them.

Consul Louis Goldschmidt, of Nantes, reports that there are four American insurance companies doing business in the Nantes district. Other foreign companies number six. A great number of domestic companies have offices in Nantes, nearly every French company being represented.

There is no ill feeling against American life insurance companies on the part of the French people; on the contrary, they are very popular and do most of the business. There has been no discrimination in the French laws or on the part of the French people against American companies.

GERMANY.

Consul-General F. H. Mason, of Berlin, reports that the imperial law which went into effect May 12, 1901, has made life insurance in Germany a precarious business for foreign companies, many of which are closing up their affairs and issuing no new policies whatever. The text of the law is contained in his report,

following. While it does not require that foreign companies have an unimpaired capital, the strict Government supervision provided for would make this necessary. It is required, however, that foreign companies keep in the hands of the insurance bureau an amount of money equal to the full premium reserve on all German policies. In the case of one American company this deposit amounts to nearly half a million dollars. Although the Government discriminates against foreign companies, the people generally favor American insurance methods.

Consul-General Mason says:

FOREIGN COMPANIES IN GERMANY.

Two American life insurance companies hold concessions for doing business in Germany, and two have withdrawn from the field, confining their operations to paying obligations as they fall due. Foreign companies other than those of the United States operating in Germany are as follows:

Austrian.—Allianz Gesellschaft, Der Anker, Erste Oesterreichische Allgemeine Unfall Versicherungs Gesellschaft, Janus Versicherungs Gesellschaft, Internationale Unfall Versicherungs Actien Gesellschaft, Oesterreichische Phonix, Wiener Lebens und Renten Versicherungs Anstalt, and Wiener Rückversicherungs Gesellschaft, all of Vienna; the Fonciere, of Budapest; Assicurazioni Generali, and Riunione Austriaca-di-Sicurta, Trieste.

Swiss.—Baseler Lebensversicherungs Gesellschaft, of Basel; Genfer Lebensversicherungs Gesellschaft, of Geneva; Schweizerische Lebensversicherungs und Renten Anstalt, of Zürich; Schweizerische National Versicherungs Gesellschaft, of Basel; Schweizerische Unfall Versicherungs Gesellschaft, of Winterthur; Schweizerische Rückversicherungs Gesellschaft, of Zürich; Zürich Allgemeine Unfall und Haftpflichtversicherungs Actien Gesellschaft.

French.—Conservateur, and Le Phenix, of Paris.

English.—General Life Assurance Company of London and Northern Assurance Company of London.

Danish.—Hafnia and Mundus, of Copenhagen.

Dutch.—Niederländische Lebensversicherungs Gesellschaft, of Amsterdam, and Dordrecht Lebensversicherungs Gesellschaft, of Dordrecht.

DOMESTIC COMPANIES.

According to the latest available statistics there are 27 joint stock companies and 30 mutual insurance companies doing business in Germany as life insurance societies. These 57 companies have issued about 6,000,000 policies, amounting to a total assurance of 8,400,000,000 marks (\$1,999,200,000), the average sum assured per person being about 1,400 marks (\$333.20).

The following is a list of these companies, according to the published statistics of 1905:

Allgemeine Renten und Lebensversicherungs Bank, of Leipzig; Allgemeiner Deutscher Versicherungs-Verein, of Stuttgart; "Armnia" Deutsche Lebensversicherungs Bank, of Munich; Atlas Deutsche

Lebensversicherungs-Gesellschaft, of Ludwigshafen; "Augusta" Lebensversicherungs Aktien-Gesellschaft, of Berlin; Berlinische Lebensversicherungs Gesellschaft, of Berlin; Bremer Lebensversicherungs Bank, of Bremen; Concordia Cölnische Lebensversicherungs-Gesellschaft; Deutsche Lebensversicherungs Gesellschaft, of Potsdam; Deutsche Lebensversicherungs Bank, of Berlin; Deutsche Lebensversicherungs Gesellschaft, of Lübeck; Deutsche Militärdienst und Lebensversicherungs Gesellschaft, Hanover; Deutscher Anker Lebensversicherungs Aktien-Gesellschaft, of Berlin; Deutschland Lebensversicherungs-Aktien-Gesellschaft, of Berlin; Frankfurter Lebens-Versicherungs Gesellschaft, of Frankfurt-am-Main; Friedrich-Wilhelm Preussische Lebensversicherungs Gesellschaft; "Germania" Lebensversicherungs Gesellschaft, of Stettin; "Gothaer" Lebensversicherungs Bank Aktien Gesellschaft; "Janua" Lebensversicherungs Gesellschaft, of Hamburg; "Iduna" Lebensversicherungs Gesellschaft, of Halle; Karlsruher Lebensversicherungs Aktien Gesellschaft; "Kosmos" Lebensversicherungs Gesellschaft; Mecklenburgische Lebensversicherungs Bank, of Schwerin; "Nordstern" Lebensversicherungs Gesellschaft, of Berlin; Nürnberg Lebensversicherungs Bank; "Providentia" Frankfurter Versicherungs Gesellschaft; "Prudentia" Versicherungs Aktien-Gesellschaft; Rothenburger Versicherungs Gesellschaft, of Görlitz; Stuttgarter Allgemeine Rentenanstalt; Stuttgarter Lebensversicherungs Bank Aktien-Gesellschaft; "Thuringia" Lebensversicherungs Gesellschaft, of Erfurt; "Urania" Versicherungs Gesellschaft, of Berlin; Vaterländische Lebens-Versicherungs Gesellschaft, of Elberfeld; "Vesta" Lebensversicherung Bank, in Posen; "Victoria" Lebensversicherungs-Gesellschaft, of Berlin; "Vita" Versicherungs Aktien-Gesellschaft, of Mannheim; "Wilhelma" Lebensversicherungs Gesellschaft, of Magdeburg.

Reassurance.—Badische Assecuranz-Gesellschaft, of Mannheim; Münchener Rückversicherungs-Gesellschaft, of Munich; Rückversicherungs-Gesellschaft "Europa;" Sächsische Rückversicherungs-Gesellschaft, of Dresden.

STATUS OF FOREIGN COMPANIES.

The status of foreign insurance companies in Germany is determined by Section VI, articles 85 to 91, inclusive, of the German insurance law of May 12, 1901, which reads as follows:

ARTICLE 85. Foreign assurance businesses, intending to carry on an assurance business in the country through representatives, attorneys, agents, or other intermediaries, need a permission for that purpose.

The regulations of this law apply to them if articles 86 and 91 do not prescribe differently.

ART. 86. The decision on the application for concession is exclusively reserved for the imperial chancellor.

The concession may only be given if (1) the imperial office of supervision of private assurances gives its expert opinion, after consultation with the advisory board, to the effect that none of the reasons exist for refusal of the concession as given in article 7; (2) if the assurance business proves that at the head office of the business it can acquire rights in its own name, contract liabilities, appear in court as plaintiff and defendant; (3) if the business binds itself to keep a branch within the Empire and to appoint for the country (Germany) a

head attorney who resides within the Empire. The head attorney is considered empowered to represent the business, especially to close assurance contracts with assurers in the home district (Germany) with binding effect, also to receive all summons and instructions for the business.

In other cases the imperial chancellor decides according to his own opinion.

ART. 87. Foreign assurance companies admitted to do business in the country (Germany) may close assurance contracts with assurers residing ordinarily in the home district, or assurance contracts of real estate in the home district, only through representatives residing in the country (Inland).

ART. 88. The duties, under this law, of the owners or representatives of a home office have to be carried out by the authorized head representative for the Empire of a foreign business.

ART. 89. Complaints arising against the business from assurance contracts in the home district appertain to the court in whose district the branch is located (sections 2 and 3 of article 86). This court may not be excluded by contract (agreement).

ART. 90. The regulations of article 56, section 1; part 1 of article 57, and sections 2 and 3 of articles 58 to 63 apply to foreign businesses only in so far as assurances closed in the home district are concerned.

The premium reserve fund for these assurances is to be secured, according to instructions to be particularized by the imperial office for supervision for private assurances, in the manner that it can be disposed of only in agreement with the said office.

ART. 91. The supervision of the foreign assurance businesses which have been admitted is carried out by the office of supervision for private assurances according to this law. By request of the imperial chancellor the federal council can also, on its own free decision, determine upon the cancellation of the concession of admitted foreign offices. The execution of such a resolution lies with the imperial office for supervision of private assurances.

STANDING OF AMERICAN COMPANIES.

American insurance companies have always been very popular in Germany on account of their liberal principles and the security which their large amount of insurance in force, invested capital for reserves, and dividends afford. This feeling was not changed by the measures which the German Government took against foreign insurance companies several years ago, and which induced or compelled some of the American companies to withdraw from doing new business in Germany. This is shown by the fact that very few policy holders gave up their policies in the American companies, and of those who did when the companies first withdrew, many were afterwards most anxious to have their policies revived.

As a further proof of the popularity of American insurance companies, it may not be inappropriate to remark that the agents of the retired American companies, having been forced to seek other employment, i. e., with German companies, have repeatedly asked whether there was any prospect of the American companies coming back, and reiterated their earnest desire to again represent them. In some cases such agents withdrew from the insurance business altogether, because they had been accustomed to the liberal and business-like methods of the American companies and could not, or would not, accommodate themselves to the bureaucratic and old-fashioned system which prevails among the German insurance societies.

INSURANCE IN FOREIGN COUNTRIES.

BUSINESS TRANSACTED BY AMERICAN COMPANIES.

The following are the statistics asked for in respect to the American life insurance companies doing business in Germany on December 31, 1903:

Business transacted by American life insurance companies in Germany.

Company.	Policies in force.			Annuities and annual payments.		
	Number.	Marks.	Dollars.	Number.	Marks.	Dollars.
No. 1	5,284	74,441,679	17,717,190	100	111,117	26,446
No. 2	6,411	86,902,255	20,539,996	127	95,776	22,796
No. 3	8,217	148,819,982	35,300,013	378	387,245	92,163
No. 4	23,581	139,608,959	33,226,789	201	118,579	28,223
Total	43,493	448,671,675	106,783,858	806	712,717	169,626

^a Total number of policies in force in Germany.

INSURANCE FOR TROPICAL AND TEMPERATE CLIMATES.

No distinction is made in rates and premium charges between native Germans and persons born in other European countries or America. The following table will illustrate the general practice of American companies with regard to the rates at the ages specified for northern, semitropical, and tropical countries:

Rates of insurance according to age and climate.

Age.	North- ern rates.	Semi- tropical rates.	Full tropical rates.
20	\$19.68	\$26.68	\$31.86
30	24.38	29.98	35.48
40	33.01	39.64	46.26
50	48.48	57.04	65.60
60	77.60	90.50	102.11

DISCRIMINATION AGAINST AMERICAN COMPANIES.

In reply to the question whether there is any apparent discrimination in the local laws or local public opinion against American companies, there is herewith submitted the published correspondence,^a with notes, concerning the negotiations for the readmission to Prussia of an American life insurance company. This will show that during the period 1895-1900 there was a tangible and well-defined display of hostility on the part of the Prussian Government toward the American companies which had been established here, and then expelled by the cancellation of their concessions.

Without going into the complicated history of that controversy, it will be sufficient for present purposes to say that the attitude of the Prussian Government toward the American insurance companies was at that time largely governed by an advisory board, which included several expert officials who were personally interested in German life insurance companies, and naturally, therefore, more or less opposed to foreign competition. Under their ministrations, and largely through

^a Filed in the Bureau of Manufactures, Department of Commerce and Labor.

their influence, the concessions of the leading American companies were canceled, and the conditions for readmission were made so onerous that two of the leading American companies declined to accept them and a third has resumed business under stipulations that many persons regard as humiliating. When, in addition to keeping the whole capital reserve of its German business invested in this country an American company is compelled to keep on deposit and subject to the draft of the German authorities a further cautionary sum of 2,000,000 marks (\$476,000) as a guaranty against nonpayment of taxes and losses, it may naturally be asked whether such restrictions are not exceptional.

So far as public opinion in Germany is concerned, it can be confidently said that no perceptible prejudice exists against the American companies. On the contrary, policy holders and the business public have, from the first, highly approved the frank, open-handed, and ungrudging methods by which the American companies adjusted losses and conducted business with their clients. It was this popularity, combined with the enormous financial resources of the American companies, that rendered their competition so dangerous to German insurance interests and attracted the hostility of interested parties.

FOREIGN COMPANIES FORCED TO WITHDRAW.

It is the undoubted purpose of the law of May 12, 1901, and the regulations which have been framed and enforced under it to deal fairly with all interests concerned; but the net result of the system thereby established is that two of the leading American companies are no longer able to transact new business in Germany, and a large number of other foreign companies of high standing have found themselves no longer able to transact new business in this country.

The following is a list of the British, Belgian, Danish, French, Austrian, Swedish, and Swiss insurance companies which formerly had agencies and did business in Germany and which have either wholly abandoned this field or have given up that part of their business here which related to life insurance, since the law of May 12, 1901, and the accompanying regulations were put in force:

Names of foreign insurance companies withdrawn from Germany.

Name of company.	Home office.	Branch of insurance given up.
BELGIAN.		
Compagnie Belge d'Assurances Générales sur la vie, les fonds dotaux et les survivances.	Brussels	Its entire insurance in Germany.
Compagnie de Bruxelles assurance à primes contre l'incendie.do	Do.
L'Economie Belge compagnie d'assurances à primes fixes contre les accidents.do	Do.
La Royale Belge, société anonyme d'assurance sur la vie et contre les accidents.do	Do.
DANISH.		
Nordisk Livsforsikrings Aktieselskabet af 1897...	Copenhagen	Life insurance.
FRENCH.		
Caisse générale de familles	Paris	Its entire insurance business in Germany.
La Foncière, Compagnie d'Assurances contre les Risques de Transports et de les Accidents de toute nature.do	Do.

Names of foreign insurance companies withdrawn from Germany—Continued.

Name of company.	Home office.	Branch of insurance given up.
BRITISH.		
Atlas Assurance Co. (Limited).....	London	Life insurance.
Commercial Union Assurance Co.....	do	Do.
The Eagle Insurance Co.....	do	Its entire insurance business in Germany.
English and Scottish Law Life Assurance Association.....	do	Do.
Gresham Life Assurance Society	do	Do.
Manchester Insurance Co.....	Manchester	Do.
Liverpool and London and Globe Insurance Co.....	Liverpool	Life insurance.
The London Assurance Corporation.....	London	Do.
London and Lancashire Life Assurance Co.....	do	Its entire insurance business in Germany.
The Manchester Assurance Co.....	Manchester	Do.
North British and Mercantile Insurance Co. in London and Edinburgh.....	London and Edinburgh.....	Life insurance.
Norwich and London Accident Insurance Association.....	Norwich	Its entire insurance business in Germany.
The Royal Exchange Assurance Corporation.....	London	Life insurance.
Royal Insurance Co.....	do	Do.
Scottish Amicable Life Assurance Society.....	Glasgow	Its entire insurance business in Germany.
The Standard Life Assurance Co. (Limited)	Edinburgh	Do.
Star Life Assurance Society	London	Do.
Sun Life Assurance Society	do	Do.
Union Assurance Society.....	do	Do.
AUSTRO-HUNGARIAN.		
"Donau," K. K. privilegierte Oesterreichische Versicherungs Gesellschaft.....	Vienna	Do.
Erster Allgemeiner Beamten-Verein der Oesterreichischen Ungarischen Monarchie.....	do	Life insurance.
Patria, Gegenseitige Lebens-Versicherungs Bank.....	do	Do.
SWEDISH.		
Brand-och Lifförsäkrings-Aktiebolaget Svea	Gothenburg	Do.
SWISS.		
Lebensversicherungs-Gesellschaft "Die Schweiz"	Lausanne	Its entire insurance business in Germany.

It is thus apparent that the life insurance companies of other European countries here have found the new law and administrative regulations in Germany as restrictive and prejudicial to their interests as have those of the United States.

DEPOSITS AND TAXATION.

The German insurance law of May 12, 1901, already referred to, demands that the full premium reserve on German insurances shall be deposited in Germany and remain there under the control of the imperial insurance department (Kaiserliches Aufsichts Amt für Privat-Versicherung). The amount deposited remains at the disposal of the imperial insurance department to enforce fines or to collect taxes if not paid by the company.

Insurance premiums paid for the assurance of a person liable to pay income tax, for an amount due at death or at a certain age, may be deducted from the taxable income up to a premium amount of 600 marks (\$142.80) per annum.

In Berlin a municipal tax has to be paid on the income derived from any property located in that city. In Prussia the company has to pay a trade tax (Gewerbe-Steuer) in all cities where it maintains branch offices. The taxation is based upon the premiums collected

by the various Prussian branch offices. The different municipalities collect a certain percentage of the tax allotted to them by the Prussian tax authorities, and, besides, collect some special taxes, such as water rates and rent taxes. Small contributions to the various chambers of commerce have to be paid by the companies and their branch offices. According to section 81 of the imperial insurance law of May 12, 1901, a contribution must be paid every year to the imperial insurance department by all companies doing business in Germany, native as well as foreign, in proportion to their last year's gross premium income, less dividend.

PUBLICITY OF COMPANY AFFAIRS.

The code of keeping and rendering accounts of life insurance companies under surveillance of the imperial bureau of supervision was issued in May, 1902. It was translated at this consulate-general and forwarded to the Department July 17, 1902, and published as Advance Sheets of Consular Reports, No. 1442, September 12, 1902. It gives the forms for keeping the accounts of insurance companies and the requirements for giving publicity to their accounts and condition. Section VII of this code prescribes that within two months after the profit and loss account and balance sheet of an insurance company have been completed and approved by its governing board such accounts and balance sheet shall be published, at the expense of the company, in the "Reichsanzeiger," which is the official newspaper organ of the Imperial German Government.

GOVERNMENT SUPERVISION.

The law of May 12, 1901, provides for the establishment of the imperial supervising office for private insurance. The functions of this office are fully and elaborately defined in the law, the full text of which is herewith translated, as follows:

PRELIMINARY REGULATIONS.

ARTICLE 1. Private enterprises for the purpose of carrying on insurance business are subject to supervision according to this law, excepting the regulations given in articles 116, 117, and 122. Combinations of persons allowing their members an assistance without, however, granting them a legal claim are not considered assurance businesses in the sense of this class.

ART. 2. The supervision of the assurance business is carried out by the government of the country, in States where the business is confined to the districts of the one country of the Empire, by its statutes or other business conditions; otherwise by the imperial office appointed for that purpose.

ART. 3. The supervision of an assurance business confined to the district of one country in the Empire can be transferred by imperial order to the imperial office of supervision on request of said company, with agreement of the federal council.

In conjunction with the respective government, the imperial chancellor can order that business whose transactions exceed the district of a State, but which in its object, locality, or circle of clients is very limited, can be placed under the supervision of the government of the State where the offices are located.

ADMISSION TO DO BUSINESS.

ART. 4. Assurance businesses must have the permission of the superintending office for carrying on business. When applying for concession the business plan must be handed in, from which the purpose and the internal arrangements of the business must be discernible; also the district of the intended business, and

especially those resources from which are to be obtained the continuous ability of meeting the future liabilities of the business. As part of the intended plan there are to be handed in (1) the company's contract or the statutes, in so far as the business is based upon the same; (2) the general assurance condition and the technical business basis, so far as they are requisite according to the manner of the intended assurance.

ART. 5. The concession is granted independent from the proof of a need and, unless the sphere or action of the business is confined according to the business plan to a certain period or a small district, without a limit of duration and for the whole of the Empire, respectively.

ART. 6. The permission may be granted to a combination of persons intending to carry on assurance of its members on a mutual basis only, if these combinations are made in the form of assurance companies on mutual principles (articles 15 to 55). For the purpose of the various kinds of life insurances, as well as accident, liability, fire, or hail assurances, the business concession may only be granted to assurance companies (aktien gesellschaften) besides assurance combinations on mutual principles. Assurances against disability, old age, widowhood, orphanage, and endowment and military-service assurances, no matter whether for capital or annuities, are considered life assurances under this law.

ART. 7. Concession to carry on business may only be refused if (1) the business plan is contrary to the legal requirements; (2) if according to the business plan the interests of the assured are not sufficiently secured or the continuous fulfillment of the liabilities resulting from the assurances is not sufficiently demonstrated; (3) if there are facts justifying the assumption that a business will not be conducted according to the law or good morals. The concession can be made dependent upon a suitable security, the purpose of which and the condition of its repayment must be fixed.

ART. 8. The business contract of a stock company that shows the several branches of assurance over which the business extends, also the principles for the investment of the capital if the assurance business is to be carried on directly only, or also indirectly (through reinsurance). With businesses regulated by statutes the date specified under (1) are to be contained in the statutes.

ART. 9. In the general assurance conditions those conditions are to be contained which deal with (1) the events at the occurrence of which the assurer is bound to an obligation, and cases in which for certain reasons this obligation is to be excluded or suspended (on account of wrong statements in the application, on account of alterations during the duration of the contract, etc.); (2) the manner, the extent, and maturity of the obligation on the part of the assurer; (3) the determination and payment of the premium due by the assured to the assurer and the legal consequences of a delay in the payment of such premium; (4) the duration, especially a silent prolongation, the notice of termination, as well as other total or partial discontinuation of the assurance contract, and the obligations of the assurer in cases of the latter kind (suspension, surrender, change of assurance, reduction, and such like); (5) the loss of the claim from the assurance contract in consequence of neglecting periods of grace; (6) the proceedings in cases of dispute arising from the assurance contract, the competent court, and the appointment of a court of arbitration; (7) the principles and basis according to which the assured participates in the profits; (8) the supervisions and extent of payments in advance or loans on policies of life insurance.

With assurance combinations on mutual principles the items specified in (1) can be given in the statutes instead of the general assurance conditions.

Deviations from the general assurance conditions in disfavor of the assured are only permissible for certain reasons and on condition that the assurant has them especially pointed out to him before signing the contract, and expressed his agreement in writing.

ART. 10. Before closing the assurance contract a copy of the general assurance conditions in force must be handed to the assurant against an especially written out receipt. The same applies to the statutes of the combination in cases of assurances on mutual principles.

The regulation of (1) does not apply to such fire assurances closed on 'Change or according to the custom on 'Change.

The supervising authority can make further exceptions from the regulations of (1).

ART. 11. The business plan of a life-insurance business has to fully show its tariffs as well as the principles of calculating the premiums and premium

reserves, especially stating the rate of interest and the loading of the net premium. It must also be stated if, and to what extent, in calculating the premium reserve, a method is to be applied according to which at first not the whole premium reserve is put back, in which case, however, 12½ per mille of the assured amount must not be exceeded. The tables of probability, especially as to mortality, and the risk of disability and sickness forming the basis of the calculations, must be added. For every kind of assurance—endowment, death, capital, annuities, etc.—the formula used for calculating the premium and premium reserves must be stated and illustrated by an example in figures. If assurances with a higher premium are to be undertaken, it must be stated in the business plan whether and on what principles a special premium reserve is to be formed for same.

ART. 12. In so far as disability or accident assurance companies close assurances, in the manner of life insurances, on the basis of certain tables of probability, especially the assurances of annuities, assurances with return of premiums, or other assurances necessitating the accumulation of premium reserves, the regulations of article 11 apply also.

ART. 13. Every alteration in the business plan must be notified to the authority of supervision, whose sanction it needs before becoming legal. Sanction may only be refused for reasons given in article 7.

ART. 14. Every agreement transferring the assurance in force of one company to another, either entirely or of certain branches, with the respective reserves and premium transfers, requires the sanction of the respective authorities of supervision of the businesses concerned. The sanction may only be refused for reasons as per article 7.

ASSURANCE COMBINATIONS ON MUTUAL PRINCIPLES.

ART. 15. A union which intends assuring its members on the mutual principle obtains legal rights by the concession of the authority of supervision to carry on business as an "assurance combination on mutual principles."

ART. 16. The regulations regarding business men in the first and third volume of the commercial legal code, excepting articles 1 to 7, apply to assurance combinations on mutual principles except where the law directs differently.

ART. 17. The constitution of an assurance combination on mutual principles is regulated by the statutes unless based upon the regulations below. The statutes require a legal or notarial authentication.

ART. 18. The statutes must fix the name (the firm) and the seat of the combination. From the style of the firm the seat of the combination must be discernible. It must also be expressed in the style of the firm, or an addition thereto, that the assurances are closed on the mutual principle.

ART. 19. The capital of the combination alone is liable for all obligations of the combination to its creditors; the members are not liable to the creditors of the combination.

ART. 20. The statutes must contain regulations as to the commencement of membership. The acquirement of membership supposes the closing of an assurance contract with the combination. The membership ends, unless otherwise arranged in the statutes, by the termination of the assurance contract.

ART. 21. The contribution of the members and the obligations of the combination to the members must, under the same conditions, always be arranged on equal basis. The combination may carry on assurance business on payment of fixed premiums, in the manner that the assurants do not become members of the combination, only in so far as the statutes expressly permit this.

ART. 22. In the statutes a fund for the foundation is to be especially provided for the expenses of getting up the combination, also serving as a guaranty and for carrying on the business. The statutes are to contain the conditions under which the funds are at the disposal of the combination, especially in which manner the amortization of the foundation fund is to be carried out and whether and to what extent the parties who supplied the funds of foundation shall have a share in the management of the combination. The fund of foundation is to be paid in cash, bar in as far as the statutes allow the contribution of own bills in place of cash payment. Cash payments are only considered payments in German money, bills of the Imperial Bank, or bills of German banks legally admitted. The right of notice of withdrawal must not be granted to those who have supplied the fund of foundation. In the statutes they can be given a share in the surplus accruing from the annual balance besides interest

payable from the annual receipts; the rate of interest may not exceed 4 per cent, the whole compensation not 6 per cent of the amount paid in. The fund of foundation may be divided into shares for which certificates of shares may be issued. An amortization of the fund of foundation may only take place from the annual income and only in proportion as the accumulation of the reserve fund, provided for in article 37, progresses. It must be commenced as soon as the expenses of starting, and the expenses incurred during the first business year have been paid.

ART. 23. The authority of supervision can give permission that no fund of foundation be formed if, by nature of the business carried on or through special arrangements of an enterprise, other securities are given.

ART. 24. The statutes have to decide whether the expenses are to be covered: (1) By a single or repeated contributions payable in advance, with the right of subsequent contributions, or, excluding subsequent contributions, with or without reserve to curtail assurance claims; (2) by levies in proportion to the requirements.

The statutes can fix a limit to which the duty of paying subsequent contributions or shares in the expenditure is confined. A restriction according to which a call of subsequent contributions or levies for the expenditure may take place only for the purpose of covering the assurance claim of members is not admissible.

ART. 25. The rates of expenditure and subsequent contributions must also be borne by those members who go out during the business year. The duty of contribution of such members as well as those members joining in the course of the business year depends upon the duration of membership during the business year. In case the amount contributed or subsequently to be contributed by the several members depends upon the amount collected in advance of the assured amount, the calculation of the higher amount must be taken if in the course of the business year a rise or reduction of the contribution or the assured amount, respectively, has taken place.

The regulations of (1) and (2) are applicable only in so far as the statutes do not direct differently.

ART. 26. The demand of a combination for contribution the member can not compensate by a counterclaim.

ART. 27. The statutes are to contain the conditions under which the demand for contributions toward the expenditure or subsequent contributions is to be made and in how far the other means for covering the same (fund of foundation, reserves) are to be used. The statutes must also state in what manner calls for contributions and subsequent contributions are to be issued and collected.

ART. 28. The statutes have to decide as to the form in which the publications of the combination are to be made. Publications in public papers must be made in the *Reichsanzeiger* if the business extends beyond the district of a single State of the Empire. If the business is confined to the territory of one State, the central authorities of that State can designate another paper in place of the *Reichsanzeiger*. Any other papers are designated in the statutes.

ART. 29. The statutes have to decide as to the formation of a board of directors, a board of supervision, and a supreme organ (meeting of members or representatives of members).

The duties of this supreme organ can be divided among several organs higher than the board of directors and board of supervisors.

ART. 30. The combination is to be registered at the court in whose district it has its seat by all the members of its board of direction and supervision for entry in the commercial register. The authority of supervision has to advise the court of registration of every concession of business (art. 15).

ART. 31. The application for registration must be accompanied (1) by the document as to the concession, (2) the statutes, (3) the document as to the appointment of the boards of direction and supervision, (4) the document of the contribution of the fund of foundation, with a declaration of the board of direction and supervision in how far the fund of foundation is covered by cash payment, and in their possession.

The members of the boards have to give their signature, which is to be kept by the court. The original and one certified copy of documents for registration are kept by the court.

ART. 32. When making the entry on the commercial register the firm and the seat of the combination must be given, the branches of assurance to which the business is to be extended, the amount of the fund of foundation, the day when the concession was granted, and the members of the boards.

In case the statutes contain special directions as to the duration of the combination, or the rights of the members of the boards or the liquidators for representing the combination, these conditions are also to be entered.

ART. 33. In the publication announcing the entry there is to be inserted, besides the contents of the entry, (1) a statement whether the expenses are to be covered by contributions in advance or by later levies. In the first case, whether excluding or reserving subsequent demands, whether the duty of contributing is limited or not, and whether the right of curtailment of assurance claims is reserved (art. 24), (2) the points fixed in article 28, (3) the manner of appointing and composing the organs of the combination, (4) name, position, and domicile of the members of the first board of supervision, and (5) the manner in which the supreme organs are called together.

ART. 34. The regulations of articles 231 to 239, 241, 242 of the commercial legal code apply to the board of directors in the manner that what is directed as to the resolutions of general meetings applies also to the resolutions of the supreme organ, and that in place of articles 236, 1, and 241, 3, of the commercial legal code the following regulations are given:

(1) The members of the board of directors may not carry on a business (trade) nor be on the board of direction or supervision of a similar assurance enterprise without permission of the board of supervision unless the statutes direct otherwise; (2) the members of the board of directors are obliged to give indemnity if payment of interest, or amortization of the fund of foundation, or division of the capital of the combination take place, disregarding the prescriptions of the law, or if payments are made after the insolvency of the combination has taken place, or the excess of liabilities over assets has shown itself.

ART. 35. The regulations of articles 243 to 249 of the commercial legal code apply to the board of supervision on condition that the duties with which the general meetings have been charged are attended to by the supreme organs, and that, in place of article 243, section 4, division 2, article 245, section 1, and article 249, section 3, division 1, of the commercial legal code, the following regulations are placed:

(1) The statutes are to direct whether a resolution of the supreme organ canceling the appointment of a member of the board of supervision requires a special majority; (2) an allowance according to the annual surplus, payable to the members of the board of supervision, may only be granted from the amount which remains after all amounts have been written off and reserves made, and after the share in the surplus has been deducted for those who contributed the fund of foundation on promise of a participation in the profits, as per article 22, 3; (3) the members of the board of supervision are liable to make indemnification if, with their knowledge and without their interference, steps are taken which are especially designated in article 34, 2.

ART. 36. The regulations as regards general meetings of shareholders in articles 250, 251, sections 3 and 4 of article 252, articles 253, 256 to 261, 264, section 1 of article 266, sections 1 and 2 of article 267, articles 268 to 273 of the commercial legal code, and in case the general meeting of the members is appointed as the supreme organ the regulations of articles 252, section 2, and 254, 255, 263 of the commercial legal code apply to the supreme organ, with the following modifications:

(1) If according to these regulations a minority of shareholders, with shares amounting to a tenth or twentieth of the stock capital, are granted certain rights, the statutes prescribe the requisite minority of the members of the supreme organ; (2) the above regulations remain out of force in so far as they demand a deposit in shares or a statement of the amount of the represented shares; (3) the authority of supervision can, when granting the concession, give permission of the cost of organization and of expenditure during the first business year, to be distributed over several, but not more than the first five, business years, provided it does not exceed half of the total fund of foundation nor the portion paid in cash, and the remaining balance is each time specified in the balance sheet as a liability.

The statutes have to decide as to the form, and, if section 1 of articles 254 and 255 of the commercial legal code are not applicable, also as to the suppositions and the terms for calling in the supreme organs.

ART. 37. The statutes have to decide as to the formation of a reserve which is to be used for the covering of any extraordinary losses in business, especially to determine the amounts which are to be put back annually, and to fix the lowest limit, up to the accumulation of which such annual reserves are to be continued.

The reasons for not forming a foundation fund (article 23) can also authorize the authority of supervision to grant release from the formation of a reserve fund.

ART. 38. A surplus accruing from the balance, unless used according to the statutes for the reserve fund or other reserves, or for distribution as a premium, or a transfer to the next business year, is to be distributed among members according to the statutes.

The statutes have to decide as to the basis of distribution: also whether the distribution is to take place among the members existing at the end of the business year or including those that have gone out.

The distribution can only take place after the costs of organization and first start (article 36, section 1, No. 3) have been paid.

ART. 39. The statutes can only be altered by a resolution of the supreme organ.

Making alterations only in the wording of the statutes can be passed on to the board of supervision by resolution of the supreme organ.

The board of supervision can be empowered by the supreme organ to make amendments to the resolution of alterations in case the authority of supervision demands a change of same before approval.

The resolution of the supreme organ must show a majority of three-quarters of the votes if a branch of assurance is to be discontinued or a new one introduced. The statutes can demand different requirements. For other resolutions specified in 1 to 3, such a majority is only needed if the statutes do not demand otherwise.

ART. 40. An alteration in the statutes must be notified for entry in the commercial register. The notification is to be added to the document of concession.

For entry a reference to the documents regarding alteration handed to the court suffices unless the alteration refers to items specified in article 32. The public announcement takes place of all decisions to which the publications prescribed in article 33 refer.

The alteration does not take place until it has been entered on the commercial register of the court in whose district the combination has its seat.

ART. 41. The regulations of article 39, sections 1 to 3, apply to alterations of the general assurance conditions as per article 9.

The board of supervision can be empowered by the statutes or the resolution of the supreme organ to make preliminarily urgent alterations in the general assurance conditions with agreement of the authority of supervision. These alterations must be placed before the supreme organ at its next meeting. They are to be canceled if the supreme organ demands it.

By an alteration in the statutes or the general conditions of assurance an insurance contract in force is only affected if the assured expressly agrees to the alteration. This does not apply to alterations which are expressly provided for in the statutes as being justified with effect, also upon the existing assurance contracts.

ART. 42. On expiration of the time appointed by the statutes the combination is dissolved.

ART. 43. The dissolution of the combination can only be agreed upon by the supreme organ.

The resolution needs a majority of three-quarters of the votes given unless a different requirement is contained in the statutes. Members of the supreme organ who have voted against the dissolution are entitled to have their contradiction to the resolution of dissolution mentioned in the minutes. (Article 74.)

The resolution needs the confirmation of the authority of supervision. The authority of supervision must advise the court of registration of its agreement.

The assurance contracts between the members and the combination cease with the period agreed upon in the resolution, at the earliest at the expiration of four weeks, with the effect that the assurance claims, which have been made up to that period can be maintained, but otherwise only those amounts, less costs, can be claimed, which have paid in advance for future insurance periods.

The regulations of four do not apply to assurance contracts on life assurance. These assurance contracts are not affected unless the statutes direct otherwise.

ART. 44. The regulations of article 43, sections 1 and 2, division 1, apply, respectively, to resolutions dealing with an agreement of the kind specified in article 14.

ART. 45. The dissolution of a combination must be advised by the board of directors for entry in the commercial register excepting the case of bankruptcy.

ART. 46. On dissolution of the combination its liquidation takes place unless it becomes bankrupt.

Until the end of the liquidation the combination is considered as existing unless a different result accrues from the following regulations or for the purpose of the liquidation; more especially the issue and collection of subsequent contributions and levies (article 24) can take place. New assurances can not be taken; those in force can not be raised or prolonged.

ART. 47. The regulations of article 295, section 1, section 3, division 2, the articles 296 to 299, and article 302 of the commercial legal code are applicable, respectively, to the liquidation. On application of the board of supervision or a minority of members, specified in the statutes, the nomination of liquidators can take place for important reasons by the court in whose district the combination has its seat. The recall of liquidators can take place by the court under the same condition as their appointment. The regulations of articles 145, 146 of the law as to the affairs of voluntary jurisdiction apply respectively. An amortization of the fund of foundation can not take place until the claims of all the other creditors, especially the claims of the members from assurance contracts, have been satisfied or secured. For the purpose of amortization, levies or subsequent contributions may not be raised.

ART. 48. The capital of the combination remaining after payment of debts, unless other claimants have been designated in the statutes, is to be distributed among the members at the time of dissolution in the manner, unless otherwise designated in the statutes, of distributing the surplus during the existence of the combination. The statutes can direct that the recipients are to be designated by the resolution of the supreme organ. The regulations of article 301 of the commercial legal code apply to the manner of distribution.

ART. 49. By the opening of bankruptcy proceedings the combination is dissolved. The regulations of article 307, sections 2 and 3, of the commercial legal code apply, respectively.

ART. 50. The members or late members of the combination, as far as they are liable according to law or the statutes to a contribution, remain liable to the combination for its debts in case of bankruptcy. Late members, if their resignation took place within the last year before the commencement of bankruptcy proceedings, remain members so far as their liability for the debts of the combination goes.

ART. 51. The claims of amortization of the fund of foundation give precedence to all other claims under the bankruptcy. Among the latter the claims from the assurance contracts due to the members of the combination at the time of the bankruptcy or to members gone out within the year before bankruptcy give precedence to the claims of the other creditors.

For the amortization of the fund of foundation levies or subsequent contributions may not be claimed.

ART. 52. The fixing and issue of the subsequent contributions or levies in case of bankruptcy is attended to by the receiver. He has to determine, after the balance has been deposited with the secretary of the court (regulation of bankruptcy, article 124), how much the members, according to the agreement of membership, have to advance to cover the deficit. The regulations of article 106, sections 2 and 3, and articles 107 to 113 of the law dealing with the associations for mutual economy (*Ewerb und Wirtschaft*) apply, respectively, as regards the calculation of advance and requisite additions. As soon as the final division (law of bankruptcy, article 161) has commenced, the public receiver has to calculate the contributions to be made by the members in completion or rectification of the advance charged and any additions thereto. To this calculation and the further proceedings the regulations of article 114, section 2, and articles 115 to 118 of the law of economic associations apply, respectively.

ART. 53. The regulations given in part 3, article 15, section 1 of article 17, section 1 of article 18, articles 19 and 20, section 1 of article 21, articles 22 and to 27, section 1 of article 28, article 37, sections 1 and 2 of article 38, sections 1 to 3 of article 39, articles 40 to 44, section 2 of article 47, and articles 50 to 52 apply to combinations which, according to statutes, have a sphere limited by matter, locality, and number of persons. The contract of assurances at fixed premiums without the assured acquiring the membership is excluded. If nothing else is stipulated in section 1, the general regulations of articles 24 to 53 of the Civil Code regarding combinations suffice as regards the combinations mentioned therein in the manner that: (1) In cases as per article 29, and section 2 of article 37 of the Civil Code, the lower court

(Amtsgericht) is replaced by the authority of supervision; (2) in case of article 45, section 3, of the Civil Code the capital is to be distributed among the members according to section 1 of article 48 of this law. If, according, to the statutes, a board of supervision is to be appointed, the regulations of article 36, sections 2 and 5, articles 37 to 40, and article 41, sections 1, 2, and 4, of the law referring to economic associations.

The authority of supervision decides whether an association is to be considered a small combination in the sense of section 1.

MANAGEMENT OF ASSURANCE BUSINESS.

ART. 54. For the purpose of acquiring real estate the assurance companies and assurance combinations on mutual principles must have the permission of the authority of supervision, unless it is a purchase of real estate upon which loans have been made, when the estate is being sold under foreclosure of mortgage. The permission is to be given if, besides the case of sale under foreclosure of mortgage, the purchase is made to secure outstanding claims, or if the real estate is purchased for business purposes. In cases of section 1, also where the permission of the authority of supervision is not required, the government sanction demanded by the laws of a respective state is not required. (Art. 86 of the law introducing the Civil Code.)

ART. 55. The books of an assurance business must be closed annually, from the books a balance and an annual report describing the affairs and development of the business during the last business year has to be drawn up and handed to the authority of supervision. Detailed requirements as to the time as well as the kind and style of the balance sheet and the annual report can be issued by the authority of supervision, so far as in this law or other imperial laws or by the federal council regulations have not already been issued regarding the keeping of books and rendering of accounts of assurance business.

Assurance companies and combinations on mutual principles are obliged to hand, if requested, to an assured, a copy of the balance sheet and the annual report within the business year following the year of the report. The authority of supervision can issue rules as to how far and in what manner the balance sheet and the annual report are to be placed at the inspection of the assured every year or to be published. Before issuing regulations of the kind described in sections 2 and 3 the authority of supervision has to consult the advisory board of assurance.

SPECIAL REGULATIONS AS TO THE PREMIUM RESERVE OF LIFE ASSURANCE.

ART. 56. The premium reserve for life assurances on the assurance contracts in force is to be calculated and entered on the books at the close of every business year, separate for the several kinds of assurance, calculated on the basis of principles as per article 11. At the foot of the balance at least one expert, intrusted with the calculation of the premium reserve with life, disability, or accident assurance businesses (article 12), must confirm that the premium reserve entered has been calculated according to section 1, independent of the responsibility of the representative of the business. This regulation does not apply to smaller combinations in the sense of article 53.

ART. 57. The directors of the business have to see that the amounts, corresponding to the calculations as per article 56, are without delay transferred to the premium reserve fund and duly invested. This transfer may only then be omitted when special security from the premium receipts must be made abroad in favor of certain assurance contracts.

The premium reserve funds (moneys, stock, documents, etc.) must be held separately from all other funds and to be kept at the seat of the enterprise in a manner of which the authority of supervision has to be advised. The authority of supervision can also give permission for the keeping of the same in some other place within the German Empire. A record of the several accounts forming the premium reserve fund has to be kept. The claims arising from payments in advance or loans on the own policies of the business, so far as they form a part of the premium reserve fund, need only be shown in one lump amount. At the end of every business year a copy of the entries made in the course of the business year has to be placed before the authority of supervision with a notarial certificate as to its agreement with the original. This copy is to be kept by the authority of supervision.

ART. 58. For reassurances the reassured business has to calculate and itself keep and administer the premium reserve also for the reassured amounts according to the regulation of articles 56 and 57.

ART. 59. The amounts (article 57) forming the reserve fund can be invested as follows: (1) In the manner described in article 1807, section 1, Nos. 1 to 4, of the Civil Code, as to the investment of the moneys of minors. Besides that the amounts may be invested up to the tenth part of the premium reserve fund in stock which, according to the prescriptions of the respective state, is admissible for the investment of moneys of minors, as well as in those mortgage-certificates of German mortgage banks issued on owner, upon which the imperial bank grants loans in class 1; (2) against mortgage on such mortgages or stock in which an investment according to No. 1, is admissible up to 75 per cent of its nominal value, or if the exchange be lower up to 75 per cent of the exchange value; (3) in the manner that payments in advance or loans on the own policies are granted in accordance with the general conditions of assurance (article 9, No. 8); (4) in securities of home communities, schools, and churches, with permission of the authority of supervision, if these debentures can be terminated by notice of the creditor or are subject to a regular amortization. If the investment can not be made in the manner of No. 1, on account of circumstances, a preliminary investment with the imperial bank or a state bank or any other inland bank or public savings bank designated suitable by the authority of supervision.

ART. 60. When investing the amounts of the premium reserve fund according to the regulations of article 59, section 1, No. 1, a mortgage or real-estate debenture or income debenture (*Rentenschuld*) may be considered secure if the loan does not exceed the first three-fifths of the value of the real estate. If, however, the authorities of a state allow, as per article 11, section 2, of the law of mortgage banks, the loaning on agricultural estates up to two-thirds of the value, such a mortgage may also be considered secure. As a rule first mortgages only must be taken. Loans are excluded on building plots and such newly built houses as are not yet completed and not yet bringing in a return, and on real estate which does not bring in a regular return, and especially on mines, quarries, and pits. The value of a real estate assumed for the loan must not exceed its selling value ascertained by careful investigation. In ascertaining this value only the lasting qualities of the real estate and its return are to be considered, which this real estate with proper management would allow any owner. On request of the authority of supervision the businesses have to issue instructions for the ascertainment of values which have been approved of by the authority of supervision.

ART. 61. Only such amounts may be taken out of the premium reserve fund, besides the moneys necessary for the investment or alterations in investments, as become freed by the occurrence of the assurance becoming due, surrender, or other causes of ending the assurance contract. Through the opening of bankruptcy proceedings the life insurance contracts cease; the assured can claim the amount to which at the time of the bankruptcy the legal premium reserve on their policies amounted, without this interfering with their further claims from the assurance contract. As regards the satisfaction from the amounts of the premium reserve fund entered on the record (art. 57, sec. 3), the claims against the legal premium reserve, as far as their transfer to this fund is required, as per article 57, section 1, take precedence of the claims of all the other bankruptcy creditors. Among one another they rank equal. As regards the claim of the assured against the other funds of the business, the regulations of special rights, as per articles 64, 153, 155, 156, and No. 3 of the regulation of bankruptcy, are applied respectively.

ART. 62. The court of bankruptcy has to appoint a guardian for the assured to take care of their rights, as per article 61. As regards the guardianship, the bankruptcy court takes the place of the court of guardianship. The duty of the guardian is to ascertain the total amount of the premium reserve fund and the rights accruing therefrom to the assured, and to give notice of the same. The guardian has to give the assured, as far as possible, a hearing before giving the notice and to inform them of the notification having been made, and on demand give them information on all facts having a bearing upon their claims. The right of giving notice of the individual assured is not affected thereby. If the notice given by an assured is contradictory to the notice given by the guardian, the notification more favorable to the assured is legal until the contradiction has been settled. The receiver has to allow the guardian insight into all books and papers of the common debtor and on demand show him the amount of the

premium reserve fund. The guardian can demand a suitable allowance for the management of his office. The expenses to be returned to him and the allowance are debited to the premium reserve fund. Before appointing the guardian and fixing the amount of the allowance the authority of supervision has to be consulted.

ART. 63. The regulations of articles 56 to 62 apply, respectively, to disability and accident assurances, as described in article 12.

SUPERVISION OF THE INSURANCE BUSINESSES.

ART. 64. It is the duty of the authority of supervision to control the whole business management of the assurance businesses, especially the compliance with the legal requirements and the observation of the business plan. It is authorized to give such instructions which are suited to keep the administration of the business in a line with the legal requirements and the business plan, or to amend such defects which endanger the interests of the assured or bring the business management into variance with good morals. The authority of supervision can keep the owner or business manager of the businesses to the compliance with its regulations issued, as per section 1, by fines up to the amount of 1,000 marks (\$238). Such fines are collected in the same manner as local taxes.

ART. 65. The authority of supervision is entitled to examine at any time the business management and financial position of a business, also whether the published annual accounts and reports agree with the facts and contents of the books, and if the legal reserves exists and have been invested and are managed according to legal requirements. The owners, managers, representatives, and agents of a business must on demand show to the authority of supervision in their business localities all books, vouchers, and such documents as are of importance in forming an opinion of the management of the business and its financial condition, and give every required information as to the course of business and its financial position. The regulations of article 64, section 3, apply respectively. As regard business enterprises having a board of supervision, a meeting of members, or similar society organs, the authority of supervision is entitled to send representatives to the meetings of these organs. These representatives must be given a hearing at any time. The authority of supervision is also entitled to demand the calling of meetings, as well as to give notice of subjects for discussion and resolution and, if its demand is not complied with, to call in itself a meeting or give a notice at the expense of the business. In the meetings which have been called together by the authority of supervision a representative of the latter presides. Managers or officers of public assurance institutions are excluded from representation of the authority of supervision.

ART. 66. The supervision extends also to the liquidation of a business and the settlement of the assurances in force in case of a prohibition or voluntary discontinuation of the business, or in case of the recall of the concession of a business.

ART. 67. If a business concern continues to act contrary to its duties prescribed by the law or the approved business plan, or if the examination of their administration or financial position reveals such important defects that a continuation of the business would endanger the interest of the assured, or if the administration is contrary to good morals, the authority of supervision is entitled to forbid the business activity with the effect that new assurances can not be closed or existing ones raised or prolonged. In case of the prohibition of further business activity the authority of supervision is entitled to make such arrangements as are necessary in the interest of the assured for the present security of the capital of the business, especially to transfer the administration of the moneys to suitable parties. The regulations of article 64, section 3, apply respectively. With combinations of assurance on mutual principles the prohibition to do business has the same effect as a resolution of dissolution. The entry of prohibition in the commercial register is made on receipt of notice from the authority of supervision.

ART. 68. On demand of the authority of supervision the court of bankruptcy has to institute bankruptcy proceedings against the property of an assurance company or an assurance combination on mutual principles regardless of the regulations in article 107, section 1, of the regulation of bankruptcies. The application for bankruptcy proceedings can only be made by the authority of supervision. The resolution of instituting proceedings can not be contested.

As soon as inability to meet liabilities takes place the board of directors has to notify the authority of supervision. The same applies if the drawing up of the annual balance or an intermediate balance shows an excess of liabilities over assets. This duty of notification takes the place of the duty imposed upon the board of directors by other legal requirements, to apply in bankruptcy in case of inability of meeting liabilities or excess of liabilities over assets. If contributions or levies of assurance combinations on mutual principles with contributions or levies are not paid within three months after becoming due, the board of directors must examine if overindebtedness occurs in case the contributions or levies not received in cash are left out of consideration. If such an overindebtedness is revealed, notice must be given to the authority of supervision within a month after above period. The same duties are imposed upon the liquidators.

ART. 69. If the examination of the business administration and of the financial position of the business show that it will not be able to continue meeting its liabilities, and the interests of the assured seem to demand avoiding a bankruptcy, the authority of supervision can take the steps necessary for this purpose or ask the representatives of the business to bring about within a certain period an alteration of the basis of the business and to amend other defects. Certain kinds of payments, especially distribution of profits and, with life assurances, the surrender of or loaning on policies, as well as payments in advance on same, can be temporarily prohibited.

The suppositions of section 1, part 1, entitle the authority of supervision to reduce, in case of need, in proportion to its funds, the liabilities of a life insurance business arising from its assurances in force, but not by more than 33½ per cent.

CONSTITUTION AND PROCEEDING OF THE AUTHORITY OF SUPERVISION.

ART. 70. The Government office for supervision and imperial supervising office for private assurances will be opened in Berlin. It will consist of a chairman and the requisite number of permanent and nonpermanent members.

The chairman and the permanent members are nominated by the federal council and appointed by the Emperor. The nonpermanent members are elected by the federal council. The appointment of the permanent members is for lifetime, excepting certain members holding some other office in the service of the Empire or a State, who will be appointed for the time of their holding such office. The other officers are appointed by the imperial chancellor. The members of the supervising authority must not at the same time be managers or officers of a public assurance institution.

ART. 71. To facilitate the business intercourse of the authority of supervision of private assurances with the businesses under their supervision, special commissioners can be appointed where necessary by the imperial chancellor in agreement with the respective State government from among the officers of that State who, on behalf of and according to detailed instructions of the authority of supervision, will exercise over certain businesses direct supervision. The regulations of article 70, section 4, apply, respectively.

ART. 72. For cooperation in the supervision an advisory board will be formed by the authority of supervision, consisting of experts in assurance matters, whose members are nominated by the federal council and appointed by the Emperor for five years. The duty of the members of the advisory board of assurance is to act, when required, as experts to the imperial office in the preparation of important resolutions and to cooperate, with the right of voting, in decisions specified in articles 73 to 76. They hold their office as an honorary one; they receive fees and an allowance for traveling expenses when taking part in meetings, at rates determined by the imperial chancellor. The regulations of article 16 of the law dealing with the legal position of imperial officers, dated the 31st March, 1873 (Reichsgesetzblatt, p. 61), do not apply to them. The regulations of article 70, section 4, also apply here, respectively.

ART. 73. The authority of supervision for private assurances decides, after personal consultation by a quorum of three members, including the chairman and two members from the advisory board, (1) as to the grant of concession to do business (articles 4 to 7); (2) as to the permission of altering the business plan (article 13), in case the authority of supervision should have misgivings; (3) as to the sanction of an alteration in the business (article 14); (4) as to the permission for the dissolution of an assurance combination on mutual principles (article 43); (5) as to the acknowledgment of a combination being a small

one (article 53); (6) as to the issue of an instruction of the kind mentioned in article 64, section 2, in cases where the notification of a fine, as per article 64, section 3, is connected with it; (7) as to the prohibition of business activity (article 57); (8) as to the application for bankruptcy proceedings (article 68); (9) as to the issue of an order of the kind specified in article 69, section 1, part 2, section 2.

The calling in of the members of the assurance advisory board is, as a rule, done successively, according to list drawn up in advance (article 80). If the president of the imperial office deviates for certain reasons from this order of succession, this has to be placed on record. The regulations of the code of civil suits regarding exclusion and refusal of members of courts apply to all parties appointed to cooperate in the decision.

Before giving a negative decision in cases of Nos. 1 to 5, and before a decision in the cases of Nos. 6 to 9, the representatives of the respective businesses are to be heard, and, at their request, be invited for personal negotiation.

Negative decisions in the cases Nos. 1 to 5 and decisions in the cases Nos. 6 to 9 must be given, stating the reasons.

In the cases Nos. 1 to 3 the chairman of the imperial office can issue in advance a negative decision; protest against a decision to be given in accordance with articles 1 to 5 must be made within — days after receipt.

All decisions have to be communicated to those concerned. The legally given concession to do business and the sanction of a transfer of the insurance in force, as well as the prohibition to continue business, have to be made public by the authority of supervision in the *Reichsanzeiger*.

ART. 74. Against decisions given in accordance with article 73, section 1, those concerned can file a protest. Only the board of directors of a combination are considered as parties concerned in case of article 73, section 1, No. 4, if the sanction of a resolution to dissolve has been refused; if the resolution to dissolve has been approved, only those members of the supreme organ who have had their contradiction to the resolution to dissolve entered in the minutes. In case of article 73, section 2, No. 3, only the board of directors of the combination is considered concerned contrary to whose application the acknowledgment of the combination as a small one has been refused. As to the claim the authority of supervision of private assurances decides through 3 members, including the chairman, calling in 2 members of the advisory board, as well as a legal officer and a member of one of the highest courts of administration in a German State.

The legal officers, as well as the members of the highest courts of administration, are proposed by the federal council and appointed by the Emperor for the duration of their principal office.

As regards calling in the members of the advisory board, the regulations of article 73, section 2, as regards the exclusion or refusal of parties called upon to cooperate in decisions, the regulations of article 73, section 3, apply.

ART. 75. The protest is to be deposited in writing, stating reasons, with the authority for supervision of private assurance, within a month after receipt of the decision. The protest against instructions given by the authority of supervision in accordance with article 67, section 2, or article 69, section 1, part 2, and against the decision to apply in bankruptcy has no delaying effect. The authority of supervision for private assurance has to advise the court of bankruptcy of a cancellation of the decision to apply in bankruptcy. The bankruptcy court has to stay the proceedings. In the decision as to the protest, those who cooperated in the decision protested against must not take part, excepting the president of the imperial office. The president of the imperial office appoints a first and second reporter. One reporter must be appointed from among the judges or the members of one of the highest courts of administration. The decision takes place, after summons of those concerned, on the basis of verbal and public discussion. The publicity may be excluded for reasons of article 173 of the law of the constitution of courts.

ART. 76. Against a notification of a fine issued by the authority of supervision for private assurance, in accordance with article 65, section 2; article 67, section 2, or article 79, the party concerned has the right of protest within two weeks after receipt. As regards the protest the imperial office decides, constituted as per article 73.

ART. 77. So far as a resort to the law is not expressly admitted in this law, the parties concerned have not the right to it as regards demands or decisions of the imperial office for supervision of private assurance.

ART. 78. The imperial office can institute any proof which it considers requi-

site and examine or cause to be examined witnesses and experts, also putting them under oath.

ART. 79. The courts and other public bodies are bound to comply with any request addressed to them in the execution of this law. The requests for examination under oath must be directed to those authorities in the State which are authorized to examine witnesses and experts under oath. For expenditure in judicial assistance the authority applied to has to be refunded for its cash expenses, as specified in article 79 of the law of court expenses.

ART. 80. The number and the calling in of the nonpermanent members, the manner of the procedure, and the business course of the imperial office, as well as the composition of the advisory board and the calling in of its members, will be regulated by imperial order, with agreement of the federal council, so far as this law does not contain regulations. The imperial order will be brought to the notice of the Imperial Parliament at the next meeting.

ART. 81. The expenses for the imperial office of private assurance and the procedure before said office is borne by the Imperial Government. As fees for the supervision of the imperial office, annual contributions will be charged the assurance businesses placed under its supervision, calculating same upon the gross premiums (contributions, levies paid in advance or otherwise, shares in the expenditure), deducting the returned surplus, or shares in the profit received from the business done in the country within the last business year. Such contribution, however, must not exceed 1 per mille. After consultation with the advisory board, the federal council is empowered to decide.

The total amount of the fees shall approximately amount to half of the regular expenses apportioned for this office in the last budget. The distribution of the fees is attended to by the imperial office, which applies to the businesses, adding a plan of the distribution for payment of the fees to the "Reichshaupt-casse" within a month. After expiration of this period the fees can be collected according to the regulations in force for the collection of official taxes.

ART. 82. The imperial office can put the cash expenditure, either wholly or partly, upon the applicants in cases where proceedings for proof have been caused by unjustified applications or complaints, as well as through unsuccessful resort to the law.

ART. 83. The imperial office publishes annually a report of the position of the assurance businesses under its supervision, as well as its observations in the province of assurance business. The imperial office also publishes continuously the principles of law and administration within its sphere of activity.

ART. 84. Decisions of the supervising authorities of the State dealing with matters designated in article 73, section 1, can be contested within a month of their receipt, in the manner of disputes of administration (Verwaltungsstreitverfahren), or, where this regulation does not exist, by way of protest, according to the requirements of articles 20 and 21 of the regulations of trade (Gewerbeordnung). Otherwise the laws of the respective State apply to the proceeding of the State authorities in their execution of supervision.

FOREIGN ASSURANCE COMPANIES.

ART. 85. Foreign assurance businesses intending to carry on an assurance business in the country through representatives, attorneys, agents, or other intermediaries, need permission for that purpose. The regulations of this law apply to them if articles 86 to 91 do not prescribe differently.

ART. 86. The decision on the application for concession is exclusively reserved for the imperial chancellor.

The concession may only be given if—

(1) The imperial office of supervision of private assurances gives its expert opinion, after consultation with the advisory board, to the effect that none of the reasons exist for refusal of the concession as given in article 7.

(2) If the assurance business proves that at the head office of the business it can acquire rights in its own name, contract liabilities, appear in court as plaintiff and defendant.

(3) If the business binds itself to keep a branch within the Empire and to appoint for the country (Germany) a head attorney who resides within the Empire. The head attorney is considered empowered to represent the business, especially to close assurance contracts with assurers in the home district (Germany) with binding effect, also to receive all summons and instructions

for the business. In other cases the imperial chancellor decides according to his own opinion.

ART. 87. Foreign assurance companies admitted to do business in the country (Germany) may close assurance contracts with assurants residing ordinarily in the home district, or assurance contracts of real estate in the home district, only through representatives residing in the country (inland).

ART. 88. The duties under this law of the owners or representatives of a home office have to be carried out by the authorized head representative for the Empire of a foreign business.

ART. 89. Complaints arising against the business from assurance contracts in the home district appertain to the court in whose district the branch is located (sections 2 and 3 of article 86). This court may not be excluded by contract (agreement).

ART. 90. The regulations of article 56 of section 1, part 1 of article 57 and sections 2 and 3, and articles 58 to 63, apply to foreign businesses only in so far as assurances closed in the home district are concerned.

The premium reserve fund for these assurances is to be secured, according to instructions to be particularized by the imperial office of supervision for private assurances, in the manner that it can be disposed of only in agreement with the said office.

ART. 91. The supervision of the foreign assurance businesses which have been admitted is carried out by the office of supervision for private assurances according to this law. By request of the imperial chancellor, the federal council can also, on its own free decision, determine upon the cancellation of the concession of admitted foreign offices. The execution of such a resolution lies with the imperial office for supervision of private assurances.

REGULATIONS FOR THE INTERMEDIATE PERIOD.

ART. 92. The assurance businesses entitled to do business in one or more States of the Empire at the time of this law coming into force do not require a concession according to this law for the continuation of their business within the limits hitherto granted them, or if their right to do business is based on a special concession within their previously admitted limits.

ART. 93. Those German authorized businesses whose business extends beyond the limits of one State in the Empire at the time of the law coming into force, or which have the concession for such business, are subject to the supervision of the imperial office of supervision for private assurances. The supervision of the other German businesses is executed by the authority of the State.

ART. 94. At the expiration of a concession given according to the laws of a State for a certain period the concession of a new admission has to be given by the imperial office of supervision according to the requirements of this law.

If the period of concession granted for a fixed period does not amount to more than six months at the time of this law coming into force, the duration of concession is prolonged for one year.

ART. 95. If the admission of a business is subject to a concession which can be recalled, the execution of the recall lies with the free decision of the authority of supervision so long as the business has not obtained the permission to do business according to the requirements of this law.

ART. 96. Assurance businesses which are entitled to do business in one or more States of the Empire at the time of this law coming into force can at any time apply for admission according to the requirements of this law. For the extension of their business to the other States in the Empire the concession of the imperial office for supervision of private assurances is required.

ART. 97. Where the supervision is transferred from the authorities of a State to the imperial office of supervision of private assurances all rights and duties are legally transferred to the same which arose to the government of the State from the giving of guarantees, deposits, entry of debentures in a government debt register or the imperial debt register, or other measures of security. In the above-mentioned cases the keeping and administration of the existing guarantees is, if requested, to be continued by the State authorities for the present, but for no longer than five years.

ART. 98. The assurance businesses already admitted have to make the requisite statements (articles 4 to 12) for the explanation of their business plan on request of the authority of supervision within a period fixed by the same. The requirements of article 64, section 3, apply respectively.

ART. 99. The requirements of articles 56 to 63 come into force for the businesses already admitted as regards the premium reserve of those life assurances and disability or accident assurances designated in article 12, which are closed after this law has come into force.

The premium reserve on the assurances closed previously are to be separated, amounting to the legally calculated liability, from the other funds of the business within three years after this law has come into force and to be transferred to the premium reserve fund formed according to section 1, and to be kept, entered in the books, and administered according to article 57 and article 61, section 1. As an exception this period can be prolonged for a business by the imperial chancellor on application of the government of that State in whose district the business has its seat. Such a prolongation of the period is to be published by the imperial chancellor in the *Reichsanzeiger*.

The requirements of article 61, sections 2 and 3, and article 62 come into force for the whole of the premium reserve fund (sections 1 and 2) on expiration of three years after this law has come into force or on expiration of the period prolonged by the imperial chancellor, as per section 2, part 2, unless they have come into force on application of a business to the authority of supervision at an earlier period fixed by same and published in the *Reichsanzeiger*. The investment of the premium reserves in the manner required by articles 59 and 60 for the older assurances has to be carried into effect within a period of five years. As regards certain portions of the premium reserves, exceptions can be allowed by the authority of supervision.

ART. 100. If the authority of supervision does not consider the premium reserve sufficient for securing a continuous compliance of the liabilities arising from the assurance contract, it can grant a suitable period for the alteration of the mathematical principles or adoption of other amendments of the defects, reserving its right of interference, as per articles 67 to 69.

ART. 101. Combinations which at the time of this law coming into force carry on the assurance of their members on the mutual principle and have legal rights are subject to the requirements of this law as to combinations of assurances on the mutual principle, Part III, excepting the regulations as to the formation of a foundation and a reserve fund.

Articles 30 to 33 apply respectively to the notification and entry of these combinations. The authority of supervision, on expiration of the term fixed as per article 98, has to advise, for the entry on the commercial register, the courts of the existence of those combinations which are subject to the duty of entry.

ART. 102. The requirements of Part III do not apply to such registered associations and such existing registered unions as per Saxon law of June 15, 1868, regarding judicial persons, which carry on the assurance of their members on mutual principles. The requirements of article 68, sections 1 and 2, parts 1 to 3 and 5, apply to the associations and combinations designated in section 1; the requirements of article 16 and section 2, part 4, of article 68 also apply, respectively, to said combinations.

ART. 103. The requirements of Part III do not apply to combinations which, without having legal rights, carry on the assurance of their members on the basis of mutuality at the time of this law coming into force. Such combinations can be called upon by the authority of supervision to apply within a certain period for their admission according to the requirements of this law, the period to be at least six months. If a combination does not comply with such a demand, the authority of supervision is justified in prohibiting further continuation of the business; the requirements of article 73, sections 1 to 5, and articles 74 and 75 apply, respectively, to the prohibition of the business activity.

ART. 104. The requirements of this law do not apply to assurances which at the time of the law coming into force are in liquidation or bankruptcy.

REGULATIONS FOR FINES.

ART. 105. Whoever makes false statements before the authority of supervision in order to obtain the concession of an assurance business, or the prolongation of a concession, or the permission for an alteration of the business principles, or transfer of the assurance in force (art. 14) is punished with imprisonment and also fined up to 20,000 marks (\$4,760.)

The loss of civil honorary rights can also be inflicted.

If there are extenuating circumstances an exclusive money fine can be inflicted.

ART. 106. The members of the board of direction or supervision or a similar organ, as well as the liquidators of an assurance company or an assurance combination on mutual principles, can be punished with imprisonment up to six months, and at the same time with a fine up to 2,000 marks (\$476), or with either of these punishments if they knowingly—

(1) Have proposed or admitted a distribution of profits contrary to the requirements of law or the statutes regarding the formation of reserve.

(2) Acted contrary to the legal requirements as to the calculation and entry, administration, and keeping of the premium reserves (arts. 56 to 61, 63, 99).

(3) Acted contrary to the statutory requirements for the investment of money.

ART. 107. Experts who have to examine the calculation of the premium reserves of life, disability, or accident assurances are punished with imprisonment, and at the same time a fine up to 20,000 marks, if they have knowingly given a wrong declaration as to the statement of capital required by article 56, section 2. The loss of civil honorary rights can also be inflicted. If there are extenuating circumstances, an exclusive money fine can be inflicted.

ART. 108. Whoever carries on the insurance business in the home district without the required permission is punished with a fine up to 1,000 marks (\$238) or arrest or imprisonment up to three months. The same punishment meets those who close assurances in the home district for a business not admitted there, as a representative or attorney, or who act as an agent in the closing of assurance contracts. The regulations of No. 9 of article 360 of the penal code are canceled so far as they refer to assurance businesses in the sense of this law.

ART. 109. The members of the board of directors, or the liquidators of the business of an assurance company, or an assurance combination on mutual principles, or a registered association, or a union of the kind described in article 102, will be punished with imprisonment up to three months, and also with a fine up to 5,000 marks (\$1,190), if, contrary to the requirements of article 68, section 2, one of the notifications to the authority of supervision therein prescribed have not been made. If there are extenuating circumstances, only a fine is inflicted.

A party of whom can be ascertained that the omission of the notification has occurred without his fault is not punished or fined.

ART. 110. The members of the board of directors or board of supervision, or a similar organ, as well as the liquidators of an assurance combination on mutual principles, are punished with imprisonment and at the same time with a fine up to 20,000 marks if they act intentionally against the interests of the business. The loss of civil rights can also be inflicted. In case of extenuating circumstances a money fine can be inflicted exclusively.

ART. 111. The members of the board of directors, or a board of supervision, or a similar organ, as well as the liquidators of an assurance combination on mutual principles, are punished with imprisonment up to one year, and at the same time with a fine up to 20,000 marks, if in their statements, specification as to the capital of the combination, or in their reports to the highest organ they describe wrongly or hide the position of the combination. The loss of civil rights can also be inflicted. In case of extenuating circumstances a money fine can be inflicted exclusively.

ART. 112. The regulations of articles 239 to 241 of the law of bankruptcy apply to the members of the board of directors and the liquidators of an assurance combination on mutual principles which have stopped payment or about whose affairs bankruptcy proceedings have been opened if in the capacity of their office they have committed such actions as are punishable according to the above regulations.

ART. 113. The regulations of articles 106, 109 to 112 apply also to the members of a board of directors or a board of supervision or similar organs, as well as the liquidators of such a combination which is considered, in the sense of the law, an assurance combination on mutual principles, according to article 101.

FINAL REGULATIONS.

ART. 114. The federal council, after consultation with the advisory board, can issue instructions for the execution of this law. It can regulate the form and manner of the rendering of accounts of the businesses and state under what particular suppositions an assurance combination on mutual principles is to be considered a small combination in the sense of article 53.

ART. 115. The board of directors of an assurance business whose business extends beyond the limit of one State has to advise the central authorities of those States in whose district it intends to do business of the commencement of such transactions. Every assurance business must appoint a head representative in those States where it does business, unless its seat is in this State, if required by the central authorities of the State, provided the business in the State is of such importance, or according to the business plan can reach such importance, that the appointment of a head representative is justified. If the business denies the existence of these suppositions, then the decision remains with the federal council on the basis of the proofs put before same; its demand can be made by the central authorities of several States for the appointment of one common head representative. The head representative must have his residence in the respective State or the combined States, respectively. He is considered empowered to represent the business, especially to close assurances with assurants in the State or in the combined States, respectively, and to make binding contracts about real estate located there; also to receive all summonses and instructions for the business. In order to close life assurance contracts, however, the previous sanction of the head office of the business is requisite, which must be expressed in the contract. Summonses which are issued against the business arising from assurance operations in the district of the State or the combined States, respectively, belong before the court of that place where the head representative resides. This court must not be excluded by contract (agreement).

ART. 116. Businesses the object of which is assurance against loss of exchange or transport or only reinsurance, excepting the business combinations on mutual principles, do not require a concession. Neither are they subject in their business conduct of the supervision of the authorities. The federal council can, however, instruct certain requirements of this law to be also made applicable to such businesses.

ART. 117. By resolution of the federal council it can be demanded (1) that the regulations of article 6, section 2, are applied to other branches of assurance than therein specified; (2) that the regulations of this law are not applied, either wholly or in part, to branches of assurance to which the regulations of article 6, section 2, do not extend.

ART. 118. All the businesses which are subject according to this law to supervision are bound to hand to the authority of supervision for private assurance the necessary statistical data of their business. As to the further requirements of statistical proofs the advisory board has to be consulted.

ART. 119. The public assurance institutes organized by regulations of the laws of the States do not become subject to the regulations of this law; they are, however, obliged to hand to the Imperial office of supervision for private assurance such statistical data as to their business as will be specified by the federal council.

ART. 120. The laws of a State reserving to public institutions the right of carrying on certain assurance branches is not affected by the above.

ART. 121. The regulations of the State as to the police supervision of fire-insurance contracts when being closed or the payments for damages by fire are not affected. The regulations of the law, however, are canceled hereby which make the closing of fire-insurance contracts subject to permission by the police; also the regulations of the State forbidding the direct contract of fire assurances with such agencies which are not in the district of that State. Furthermore, there are not affected the regulation of the State and the agreements made with the authorities of the State as to the obligations of fire-insurance businesses regarding their contributions to taxes for commonly useful purposes, especially for the advance of fire-extinguishing organizations or for assistance of members of fire brigades or other assistance to parties who have met with accidents in cases of fire, or their heirs. There is not affected the obligation which fire-insurance businesses have after the 1st of January, 1901, to take over certain assurances in a State according to local law or on the strength of agreements with the authorities of the respective State in case the business continues trading in the State or obtains admission according to this law. The compliance with these obligations will be controlled by the authority of supervision according to the regulations of this law.

ART. 122. The requirements of this law do not apply to the societies organized in accordance with the law of registered friendly societies of April 7, 1876 (Reichsgesetzblatt, p. 125), as per the wording of the law of June 1, 1884 (Reichsgesetzblatt, p. 54), the societies organized on the strength of the regu-

lations of State described in article 75, section 4, of the law of assurance against disability, the friendly societies organized in accordance with the trade regulations of guilds or guild combinations, as well as the societies for miners organized on the basis of the regulations for mines.

ART. 123. The requirements of article 39, section 3, do not apply to assurance companies.

ART. 124. The authority of supervision can make exception from the requirements of articles 11, 12, 55 to 57 for combinations on mutual principles, which are not subject to the duty of registration as regards the concession, the business administration, and the rendering of accounts.

As far as these alterations refer to the business administration or the rendering of accounts they can be made dependent upon an examination of the business administration and the financial position by an expert, in periods of several years, at the expense of the combination, and the report of examination being handed to the authority of supervision.

OPEN FIELD IN FRANKFORT.

Consul-General Richard Guenther, of Frankfort, reports as follows:

There are two American life insurance companies operating in this consular district and two other foreign life insurance companies doing business in this district, the Wiener Lebens und Renten Versicherungs Anstalt and Basle Life Insurance Company. Nearly all domestic companies are represented here. Of the two American life insurance companies operating in Germany one has been looked upon here as practically a German concern. When in 1894 or 1895 other American companies had to withdraw from Germany it was not disturbed and continued to do business right along. Those best informed tell me that the German people entertain no prejudice against American life insurance companies, which are quite as popular as any other foreign companies soliciting business in Germany. It is of course to be expected that the largest German companies should do a larger volume of business in Germany than any American or other foreign companies.

INSURANCE IN GRAND DUCHY OF BADEN.

Consul J. I. Brittain, of Kehl, reports as follows:

There are at present but two American life insurance companies operating in the Grand Duchy of Baden, but neither of them operates in the province of Alsace-Lorraine, the western part of this district. Half a dozen other foreign life insurance companies are doing business in the district.

In answer to the question regarding the feeling toward American companies, I quote the following from a leading agent in Germany for an American life insurance company:

Up to the time American life insurance companies came over, the life insurance business in Germany was very primitive. American competition awoke the German companies, and they began to do all in their power to create a feeling against the companies from the United States. The people themselves, however, never were hostile; on the contrary, they have insured freely, and preferred and appreciated the many advantages offered them by the American companies. In the beginning, besides the two companies now doing business, there operated also two other American companies, but both of these retired on account of the various impossible demands made upon them by the German Government, provoked by the managers of the German life insurance companies.

The people in Germany, according to the above opinion, do not discriminate against American companies, but the Government had

formulated a so-called "Reichsgesetz über die privaten versicherungsunternehmen," which is supposed to regulate the entire insurance business, whether foreign or domestic, on equal and fair terms. Foreign companies, however, have to submit to hardships not imposed on domestic companies, says the same American agent.

WEALTHY FAVOR AMERICAN COMPANIES.

Consul F. S. Hannah, of Magdeburg, reports as follows for the Magdeburg district:

There are two American life insurance companies operating in this district. Two other American companies are engaged in collecting premiums and paying losses on business secured in previous years but are not on the register as doing new business.

Regarding the feeling toward American companies, I regret to say, among the poorer classes especially, there is shown much distrust. There is to a certain extent in this district an antagonism against anything that is not German in origin and management. The people are of a conservative nature, and in most cases elect to follow the traditions laid down by their ancestors. The elements that go to make up our great modern life insurance companies, particularly their enterprise, magnitude, and aggressiveness, do not impress the Germans as being a conservative investment. It is hard for them to understand how any business venture can be so large, so modern, and still be financially sound.

The richer class, who have investigated conditions without prejudice, furnishes the majority of policy holders in American companies. This is shown by the average policy in force here being from three to five times larger than the average policy in the United States.

The rates of German life insurance companies are practically the same as those of the American companies, with the usual restrictions concerning travel in torrid countries. No discrimination is made between the native born and foreigners.

Premium rates for ordinary life participating policy per 1,000 marks (\$238).

Age.	American companies.		German companies.	
	Marks.	Dollars.	Marks.	Dollars.
21	19.62	4.66	19.80	4.71
30	24.38	5.80	25.20	6.00
40	38.01	7.86	34.40	8.18
50	48.48	11.53	50.00	11.90

In the German companies premiums stop at the age of 85.

RATES OF GERMAN AND FOREIGN COMPANIES IN STETTIN.

Consul J. E. Kehl, of Stettin, in reporting on life insurance in that district, gives an interesting tabular statement, showing the rates of insurance of German and foreign companies in Germany.

Two American life insurance companies are operating in this

district. About half a dozen foreign companies, other than those of the United States, operate in Stettin also.

As to American companies operating in this district, they are just as popular as the domestic companies. Their main business is with the well-to-do merchants and landowners. The essential point for domestic companies, as well as for foreign companies, is to secure good agents, for the bulk of the people insure with the company out of respect for the agent, and do not ask for details, knowing that all companies are superintended by the Government, and in such supervision they place their faith.

In the following table is given specimen insurance rates (less dividends) of the leading German and foreign companies operating in Germany, straight life tariffs, annual premium to be paid on \$238 insurance written.

Rates of insurance in Germany.

Name of company.	Age of entry.				
	21.	30.	40.	50.	55.
GERMAN COMPANIES.					
Lebensversicherungs-Bank, Gotha.....	\$4.76	\$6.06	\$8.29	\$11.80	\$14.23
Lebensversicherungs-Gesellschaft zu Leipzig.....	5.09	6.23	8.04	11.47	13.06
Lebens-Versicherungs- und Ersparnis-Bank, Stuttgart.....	4.93	5.90	7.97	11.85	14.85
"Victoria," Berlin.....	5.07	6.19	8.31	11.85	14.52
Karlsruher Lebens-Versicherungs-Gesellschaft.....	4.71	5.83	7.93	11.52	14.28
"Friedrich Wilhelm," Berlin.....	4.43	5.58	7.62	11.30	14.11
FOREIGN COMPANIES.					
Life Insurance Co. of Basel, Switzerland.....	5.09	6.45	8.68	12.28	14.99
New York Life Insurance Co.....	4.66	5.81	7.85	11.54	14.45
New York "Germania".....	-----	5.85	7.97	11.71	-----
"Der Anker," Vienna.....	4.55	5.85	7.83	11.50	14.21
"Assicurazione Generali," Trieste.....	5.18	6.26	8.07	11.26	-----
"Kosmos" Life Insurance Co., Zeist, Netherlands.....	4.40	5.50	7.64	11.16	13.83

One of the most important German life insurance companies, the "Germania," of Stettin, has abolished the straight life participating tariff.

CONDITIONS IN OTHER GERMAN DISTRICTS.

Bamberg.—Consul William Bardel reports that there are two American and four other foreign companies doing business in his consular district. "There was a time when American companies were looked upon by the people of Bamberg as more desirable even than their own companies. There seems to be no feeling against American companies now, but it is a fact that they are doing less business than formerly. This may be owing to the fact that American companies have no agencies in the district, while every important German company has."

Breslau.—Consul E. A. Man reports one American and three other foreign life insurance companies operating in Breslau, and that although the German companies attack the methods of the American company whenever an opportunity offers, its policies have won a large share of public patronage.

Mainz.—Consul Walter Schumann reports five American and a dozen other foreign life insurance companies operating in the Grand

Duchy of Hesse. "As far as I have been able to gather there seems to be no prejudice on the part of the public against American insurance companies, nor is there any discrimination in the laws of the Grand Duchy against them. All companies operating in the Grand Duchy are subject to an income and property tax. Besides the State income tax, a municipal tax is collected, which, of course, varies for different municipalities."

Munich.—Consul-General W. F. Wright reports as follows concerning life insurance companies in his district:

In the Munich consular district only two American life-insurance companies are operating, other foreign countries being represented as follows: Austria, Anker Wien, Jenus, and Cosmos; Switzerland, Basler and Schweizerische; Netherlands, Niederlandische and Dordrecht; Italy, Assicurazioni Generale; England, The Gresham. Nearly every domestic or German company does business in Munich. As far as I can ascertain, there is very little distrust on the part of the people here toward American companies and this little seems to be dying out.

Solingen.—Vice and Deputy Consul V. W. Heldt says that American life insurance companies are not working to any great extent in the Solingen consular district, and such work as is done is done by solicitors coming from the larger neighboring cities. One or two English companies have also worked here from time to time, but with no apparent great success.

One American company is said to have written a large number of contracts among the better class of local business men, but failing to make a deposit for the protection of its German policy holders, as required by the Government, the contracts that had been written were canceled and the business was lost.

GREECE.

The insurance laws of Greece are liberal and the taxes not burdensome. There is no Government supervision other than an annual examination of each company's balance sheet. Fourteen foreign companies, of which four are American, operate in Greece, and there is no prejudice on the part of the people against them.

Consul George Horton, of Athens, writes as follows:

FOREIGN AND DOMESTIC COMPANIES.

There are four American life insurance companies operating in Greece. The nationality of companies other than American operating here is as follows: London and Lancashire, Gresham, Royal Exchange, British; National, Mutuelle, French; Assicurazioni Generale, Phoenix, Austrian; Alleanza, Italian; Premiere, Hungarian; Victoria, German. The only domestic life insurance in Greece is the mutual.

There seems to be no popular feeling either for or against American companies, yet it is perhaps safe to say that the word "American" attached to any business enterprise here inspires a certain degree of confidence. There is no discrimination in the local laws or on the

part of the Greeks against American companies. No deposit is required by any foreign company to enable it to do business here. A tax of 361 drachmas^a per year is levied on each agent.

The amount of business done by American companies in this country can not be ascertained, as all such questions are referred to the general agencies, which are located for the most part in Paris. A leading American life company operating here reports that the total amount of its outstanding insurance in force here is about 2,000,000 francs (\$386,000), and that its policies number 180. No well-developed insurance code exists as yet in Greece, the ordinary commercial law being in force, while French and German practice is taken into consideration.

No distinction in the matter of rates is made in this district by life insurance companies as between natives and residents of the United States or Europe. A specimen rate of a prominent whole-life participating company here is as follows: Twenty years, 1.80; thirty years, 2.39; forty years, 3.37; fifty years, 5.02.

TAXATION AND LEGAL STATUS.

A tax of 5 per cent is imposed on the profit of all business done in Greece. Stock companies are required to pay 2 per cent on each coupon of shares payable in Greece. There are no taxes on premiums or surplus and no valuation fees. Each company must, of course, pay the ordinary Government taxes on any property it may own, and there is the license fee of 361 drachmas per year noted above. All merchants are required to keep three books, each sheet of which, of the regulation stamped-paper size, pays a tax of 20 lepta (centimes). If the sheets are larger than the stamped-paper size the tax is 40 lepta.

No system of governmental supervision or regulation exists. Advertising in the Athenian and provincial papers is the method usually employed for giving publicity to the affairs and condition of a company. To obtain permission to do business a foreign company must submit its statutes, in the original language and in translation, to the Government authorities. If the statutes are approved by the Government they are published in the Official Gazette. It is not required that any part of the premium receipts of a company should be invested and held in the country, and there is no specification in the laws as to the amount of unimpaired capital necessary. The same observations apply to fire and marine companies as well as to those dealing in life insurance. Each foreign company operating here is required to hand in its balance sheet for inspection once a year, as well as the balance sheet of its branch or agency in Greece.

The following is the form of the royal decree in use granting American insurance companies the right to operate in Greece:

Having in view article 37 of the mercantile law, as also our decree under date of January 25, 1891, concerning the recognition of anonymous companies of the United States in Greece, by motion of our minister for internal affairs we have resolved and we order:

ARTICLE 1. We approve the establishment in Greece of agencies of the ——— Insurance Company, of America, and we permit it to carry on, without let or

^a The value of the drachma varies. At present (April 27, 1905) 6.56 drachmas equal a dollar.

hindrance, all the operations and activities enumerated in the constitution of the company, in so far as these do not conflict with the laws of the Kingdom.

ART. 2. The company in question has the right to appear before the Greek courts, as also the obligation to submit to their exclusive jurisdiction, for the settlement of every legal dispute arising among those doing business with it, and it is required to keep, in the Greek language, the books of its operations in Greece, and to submit each year to the minister of internal affairs the balance sheet of its operations in Greece, as also the general balance sheet of the company.

ART. 3. The present decree can be revoked in case of violation of any of its provisions or of the approved statutes.

The following extract from a memorial addressed by the minister of the interior to the King throws some light on the state of insurance legislation in Greece:

Although our laws make no special mention of mutual insurance companies, there is no reason why their establishment should not be regarded as legal under the same rules as those which govern anonymous mercantile or civic companies.

The royal permit for the first Greek mutual life insurance company was issued July 3, 1902, though foreign companies had been operating here prior to that date. The by-laws of this company are modeled after those of the *Mutuelle de France et des Colonies*.

ITALY.

There is no discrimination against American companies in Italy, either in the laws or in popular opinion. Other foreign companies make common cause against them, but for business reasons. In addition to local taxes, which all companies must pay, foreign companies pay a tax of 1 per 1,000 on the aggregate capital invested by each company in the Kingdom. Premiums must be invested in Italy for the protection of the insured.

FOREIGN AND DOMESTIC COMPANIES IN ITALY.

Consul-General Hector de Castro, of Rome, transmits the following on life insurance in Italy:

There are four American insurance companies doing business in Italy. The other foreign companies doing business in the Kingdom are the following: *Assicurazioni Generali di Trieste*, *Riunione Adriatica di Sicurtà di Trieste*, *Fenice di Vienna*, *Ancora di Vienna*, *Danubio di Vienna*, and *Prima Ungherese*, *Austro-Hungarian*; *Gresham*, *Norkich Union*, and *British Natural Premium*, *British*; *Nationale*, *Phenix*, *Urbaine*, *Caisse Paternelle*, and *Monde*, *France*; *Prussiana*, *Lipsia*, *Banca Bavarese*, and *Berlinese*, *German*; *Basilea*, *Swiss*; *Dordrecht*, *Netherlands*.

The following are the domestic companies doing business in Italy: *Fondiararia*, *Florence*; *Reale*, *Compagnia di Milano*, *Popolare*, and *Cooperative Vita*, *Milan*; *Alleanza*, *Iniziativa*, and *Società Cattolica*, *Genoa*; *Compagnia Nazionale Assicurazioni*, and *Compagnia Italiana*, *Rome*; *Cassa Pensioni*, *Turin*; *Istituto Nazionale*, and *Cassa Mutua*, *Palermo*; *Assicurazioni Diverse*, *Naples*.

American companies are popular, and if there is any discrimination it is in their favor. In 1902 they wrote 2,344 life policies, with

a capital insured of \$4,841,179, and \$915 of annuities. Up to December 31, 1902, they had written a total of 15,257 policies, with an insured capital of \$28,589,826, and \$9,912 worth of annuities.

INSURANCE LAWS IN ITALY.

The following information relating to taxation, authority to transact business, investments, and statutory requirements was supplied by Consul F. B. Keene, of Florence:

By article 41 of the Italian law of June 8, 1874, No. 1947, Series D, foreign insurance companies represented or established in the Kingdom must pay, in addition to taxes due on insurances or life annuities, an annual tax of one per thousand on the aggregate capital invested in such business in the Kingdom. By article 43, the quarterly payments of taxes to be made for account of foreign companies within twenty days after the expiration of each quarter must be recorded by the registrar, and the receipts must show the number, date, amount, quarter referred to, signed by the registrar.

The taxes levied on insurance companies of various forms are: By the Government, 20 per cent on income; by the municipality, annual license, \$1 to \$5; by the chamber of commerce, annual license, \$2 to \$5. On the 20 per cent direct tax on income there is a deduction of one-half, the spirit of the law being to tax on the net profit, which is reckoned at one-half of the gross income. Every annual tax is due for the whole year even when an insurance policy is issued for a shorter period, and must be paid at the end of each quarter. The expenses of control and supervision on the part of the Italian Government can not exceed 2 per 1,000 per annum.

The advertising of insurance companies authorized to transact business takes place first of all in official bulletins, issued by the Government at the expense of the companies advertised. Then the companies enter into an agreement with the office of extra seals for the number and size of notices and advertisements, under a seal with the name and seat of the company, surrounded by the motto, "Ufficio del Bollo Straordinario," without which they would be liable to a tax of 1 cent each. All insurance companies, whether domestic or foreign, when complying strictly with the provisions of the Italian laws, obtain the same right to transact business in Italy. Tontine insurance and corporations of that kind, regardless of nationality, are invariably placed under the control of the ministry of agriculture, industry, and commerce, at Rome, to which a formal application must be made for permission to act, filing original or authenticated copy, duly translated and stamped, according to law, of deeds, rules, and any other official document connected therewith.

All the premium receipts of an insurance company in Italy, expenses of administration being defrayed, must be invested in Government securities for the protection of claimants. Some domestic companies, however, have been allowed to invest the surplus of real and nominal capital in first-class mortgages and real estate.

The statutory requirements regulating the business of insurance, in all its branches, are contained in the Italian Commercial Code, October 31, 1882; the law, June 8, 1874, No. 1947, series 2, January 6, 1902, No. 9, and the royal decree of July 31, 1902, all governing Italian and foreign insurance corporations on the same footings.

CONDITIONS IN FLORENCE.

There are two American life insurance companies operating in the district of Florence, both successfully, and sixteen other foreign companies are represented here.

The two American companies are as popular as any of the other foreign or domestic companies—perhaps more popular. Local laws treat Italian and foreign insurance companies on the same basis. The agencies of the two American life insurance companies represented here are subordinate to their director-general for Italy, in Genoa. I am informed from various sources that they do a profitable business, are inferior to no other companies, and enjoy a high reputation.

The following table shows the companies, and capital of each, doing business in the Florence consular district:

Insurance companies of all kinds doing business in Florence.

Company.	Business.	Country represented.	Established.		Capital.
			When.	Where.	
American companies.	Life	United States		New York	
Alleanza	Robbery and marine.	Italy	1898	Genoa	\$800,000
Assicuratrice Italiana	Sickness	do	1898	Milan	200,000
Assicurazioni Generali Venezia.	Life, fire, marine transport.	do	1831	Venice	2,200,000
Ausonia	Sickness, accident.	do	1898	Genoa	80,000
Cassa Cooperativa Pensioni.	Pensions	do	1893	Turin	3,550,000
Cassa Paterna	Fire	France	1855	Paris	1,200,000
Compagnia Anonima Assicurazioni.	Life, pension, fire	Italy	1893	Turin	265,000
Compagnia d'Assicurazioni.	Life, fire	do	1826	Milan	290,000
Cooperativa Incendi e Vita.	Life	do	1898	do	1,200,000
Danubio, Società Assicurazioni.	do	Austria	1867	Vienna	420,000
Dordrecht	do	Netherlands	1873	Dordrecht	5,000,000
Dresden	Marine transport.	Germany	1861	Berlin	750,000
Etna	Glass	Italy	1900	Rome	
Europa	Cattle	do	1891	Florence	140,000
Fenice	Life, accident.	Austria	1833	Vienna	300,000
Fondaria	Life, fire, storm, etc	Italy	1879	Florence	1,320,000
Gresham	Life	Great Britain	1855	London	500,000
Italia	Marine transport.	Italy	1871	Genoa	1,211,600
La Nazionale	Life	France	1830	Paris	3,000,000
Le Phénix	Accident	do	1844	do	800,000
Metropole	Fire	do	1873	do	1,600,000
Monde	Life, fire	do	1864	do	640,000
Mutua-Infortuni	Accident	Italy	1898	Milan	170,000
Norwich Union	Life	Great Britain	1706	Norwich	7,000,000
Paterna	Fire	France	1843	Paris	240,000
Popolare	do	Italy	1889	Milan	600,000
Providentia	Accident	do	1901	do	200,000
Prussiana	Life	Germany	1865	Berlin	750,000
Reale	Fire, gas, lightning.	Italy	1829	Milan	2,000,000
Riunione Adriatica Sicurtà	Life, fire, gas, transport.	Austria	1838	Triest	134,000
Savioia	Marine transport.	Italy	1894	Turin	400,000
Sicurtà	Glass	do	1903	Florence	60,000
Società Basilea	Life, accident.	Switzerland	1864	Basel	2,000,000
Società Cattolica	Life, fire, hail.	Italy	1895	Verona	78,000
Società Reale	Fire, gas, lightning.	do	1829	Turin	1,700,000
Suzzanese	Fire, hail, crop	do	1854	Suzzan	134,000
Universo	Transport	do	1889	Milan	450,000
Urbano	Fire	France	1828	do	1,000,000
Union	do	do	1882	Paris	2,000,000
Unione Continentale	Transport	Italy	1902	Turin	600,000
Unione Ligure	Marine transport	do	1900	Genoa	100,000
Zurich	Accident	Switzerland	1872	Switzerland	1,000,000

OPPOSITION IN PALERMO.

Consul W. H. Bishop reports as follows for the Palermo district: Three leading American life insurance companies, and another of

secondary rank, operate in this consular district. Foreign companies other than American are fully represented here. I am informed that the feeling toward the American companies is favorable. After much hard work they are now well established and doing a good business. Of the three most important ones referred to, one has been in operation here for fifteen years, the second nearly as long, while the third came in only a year ago. Our companies are more popular with the Italians than the others, their conditions being more liberal. The foreign companies make common cause against the American, giving out, in the struggle of business competition, that their reserves are not of a solid character.

MALTA.

No energetic campaign has ever been made for life insurance in Malta, although the people are thrifty and there are no government restrictions. A number of foreign companies are represented there, but all, including the three American companies, have apathetic native agents. Of the conditions, Consul John H. Grout writes:

CONDITIONS IN MALTA.

Three of the principal insurance companies of the United States have agents here. Other companies represented are British, French, Italian, Austrian, and Swiss. There are no domestic companies. Life insurance being very limited in scope, there is no particular feeling existing among the people in the matter of favor or discrimination as regards any one nationality or company. In proportion to the population, the percentage of those insured is very low. The local laws do not make any discrimination either for or against our companies, neither do they require any deposit or other guaranty from companies operating here. Certain commercial papers require a small tax stamp and insurance policies come within the requirement. The local government exercises no supervision over insurance companies. In the matter of giving publicity to the affairs and condition of companies operating here hardly anything is done beyond spasmodic and unattractive advertising in the local papers, and even that to a very limited extent. All companies, irrespective of nationality, are free to enter this field upon the same plane and no conditions are imposed of any kind. None of the premium receipts are required to be invested or held here, and no questions are asked by the government relative to the financial condition of companies. Local enactments relating to insurance were made many years ago. Any dispute brought before the local tribunal would be governed by them, but the court would also accept decisions or the laws of other countries that might be cited by either of the contestants bearing upon the question in dispute. There are no taxes of any kind at Malta that would affect insurance companies. Property and income are not taxed. So far only our life insurance companies have made any business here and their advent is comparatively of recent date. The slight footing attained by our companies in Malta has almost wholly been due to the exertions of inspectors or agents sent here directly from the headquarters offices. Native agents are very apathetic.

Business beginners and others seek appointments as agents from various concerns. That of the line of insurance not being difficult to obtain is generally secured first. Although the efforts of an agent are not usually devoid of remuneration, it does not seem to me that those representing our companies, or others for that matter, do much in the way of "hustling" for business. They seem to expect business to come to them. A man here desiring insurance of any kind has to be the seeker instead of the sought. The Maltese have always been considered a thrifty people, but even among the intelligent classes such thrift invariably follows one direction—hoarding—the actual putting by of their savings or their investment in real estate or in the interest-bearing funds of European countries.

CHANCE FOR AMERICAN COMPANIES.

Considering the immense advantages and facilities offered by the present-day American companies engaged in life and fire insurance, in which the poorest and richest may participate alike, I am of the opinion that a well-directed campaign conducted here would be productive of a fair amount of business for many of our concerns. Nothing better than the present apathetic conditions may be reasonably expected until some systematic campaign is inaugurated. A local office should be opened and operated by an American, preferably one having a colloquial knowledge of Italian, who would devote his whole time to the business, practically making a house to house canvass. The true benefits of a life-insurance policy are not generally understood here and conviction can only be secured by an expert having all the points of the business at his tongue's end. A friend of mine some years ago was approached by the inspector of an American life insurance company who made various proposals to him. My friend took the trouble to figure out at compound interest the amount of premium that would be paid in the case of a twenty-year policy and arrived at the conclusion that it only meant swapping an old dollar for a new one and decided not to insure. The inspector, however, saw and pointed out the mistake in a way that finally resulted in his securing the risk. A native agent would not have been so tenacious. I hardly believe that extra rates are or would be imposed on risks taken in these islands. The Maltese group can not be regarded as more than semitropical. The people, as a rule, are healthy and long lived. The average death rate here will average perhaps 20 per 1,000. More deaths seem to occur under 5 and after 65 years of age. Marine, life, and fire are the only lines of insurance worked here.

NORWAY.

At present there is virtually no system of governmental supervision or regulation of the operations of insurance companies in Norway. The country has no law requiring deposits to be made by American or other foreign companies to qualify them for the transaction of business, and there are no requirements for premium receipts to be invested and held in the country. No fees are demanded and no registry required. Taxes are levied against them in the same manner as against other business houses. There is a property tax and an

income tax, for which rates vary in the different localities. Taxes are, as a rule, exceedingly high. In Christiania the income tax for the present year is 13 per cent.

FOREIGN AND NORWEGIAN INSURANCE.

Consul-General Henry Bordewich says:

An effort has been made to have uniform laws enacted by the governments of the three Scandinavian kingdoms, Denmark, Sweden, and Norway, regarding life insurance. In Norway there is no such law as yet, but it must be remembered that the laws and regulations of Norway governing business in general, giving strict rules for proper bookkeeping and management, with fines or imprisonment for fraud or evasion, also govern the insurance business in all its branches. Insurance companies have adopted different methods for giving publicity to the affairs and conditions of their concerns. Annual statements in form of circulars are published and distributed by a number of the larger companies. These statements are also generally published in the local papers.

NORWEGIAN PLAN OF INSURANCE.

Below I give the plan for life insurance adopted by the Norwegian insurance companies Brage, Gjensidige, Glitne, Hygea, Idun, Norrna, and Norske Liv, showing scale of premiums for insurance to be paid at the arrival of a certain age or at death before expiration of a stipulated term.

Scale of premiums and age at maturity.

Age next birthday.	Yearly premium during the period of insurance for every 1,000 kroner (\$268), payable at death or at arrival at ages given.					
	45 years.	50 years.	55 years.	60 years.	65 years.	70 years.
	<i>Kroner.^a</i>	<i>Kroner.</i>	<i>Kroner.</i>	<i>Kroner.</i>	<i>Kroner.</i>	<i>Kroner.</i>
21	33.70	27.40	23.30	20.60	18.80	17.80
22	35.40	28.50	24.10	21.20	19.30	18.20
23	37.30	29.80	25.00	21.90	19.80	18.70
24	39.40	31.20	26.00	22.60	20.40	19.20
25	41.80	32.70	27.00	23.40	21.00	19.70
26	44.40	34.30	28.10	24.20	21.70	20.30
27	47.30	36.10	29.40	25.10	22.40	20.90
28	50.60	38.10	30.70	26.10	23.10	21.50
29	54.30	40.20	32.10	27.10	23.90	22.20
30	58.40	42.60	33.60	28.20	24.80	22.90
31	63.20	45.20	35.30	29.30	25.60	23.60
32	68.80	48.10	37.10	30.60	26.60	24.40
33	75.20	51.40	39.10	31.90	27.60	25.20
34	82.90	55.10	41.20	33.40	28.60	26.00
35	92.20	59.30	43.60	34.90	29.80	26.90
36		64.10	46.30	36.60	31.00	27.90
37		69.70	49.20	38.50	32.30	29.00
38		76.10	52.50	40.50	33.70	30.10
39		83.80	56.30	42.70	35.20	31.20
40		93.00	60.50	45.20	36.90	32.50
41			65.30	47.90	38.70	33.80
42			70.90	50.90	40.60	35.30
43			77.50	54.30	42.80	36.80
44			85.30	58.10	45.10	38.50
45			94.60	62.50	47.70	40.40

^a Kroner=26.8 cents.

STANDING OF AMERICAN COMPANIES.

The American life insurance companies doing business in this country are fairly popular. There is no discrimination against them or

against other foreign companies, but there is a strong tendency among the people to favor the domestic companies. I am unable to learn anything about the number of policies of the American companies in this country, but my impression is that only a limited number of new policies have been issued during the last few years, but that quite a number of old policies are still in force.

The foreign life insurance companies outside of the American companies operating in Norway are the following: English: Alliance, Crown, Liverpool, London and Globe, Royal, Standard, and Star. Swedish: Allmänna, Kronan, Skane, Skandia, Svea, Svenska Lif, Vasa, and Victoria. Danish: Balder, Denmark, Kadon, Nordisk, Nordpolen, Nordtsjernen, Octroirede, Statsanstalten, and Thule. German: Germania, Meklenburgske, and Victoria zu Berlin. Canada: Independent Order of Foresters.

INSURANCE IN WESTERN NORWAY.

Consul E. S. Cunningham, of Bergen, transmits the following, covering insurance companies in western Norway:^a

American life insurance companies operate considerably in western Norway, although only two companies have resident agents, but policies are carried by citizens here in a number of the leading American companies. Many American policies are taken in American companies by emigrants or sojourners in the United States, and upon their return to Norway these policies are continued, so in this way and in this sense several companies operate here.

The agents of American life insurance companies express their satisfaction with the number of risks written, and this, perhaps, is the soundest index as to the real feeling toward them. Among foreign companies none seem to combine a greater degree of strength and liberality of policy than do the American companies, and no companies are more popular than they. When one considers that the rate charged by our companies is slightly higher than those of other countries one must conclude that the agents are easily satisfied or else the companies are more popular with the natives. American companies enjoy equal privileges with other foreign companies under the local law, and on the part of the citizens no discrimination is made against companies of the United States.

Foreign life insurance companies other than American do an extensive business and represent Germany, Great Britain, Sweden, Denmark, Holland, and Finland. The following is a list of the foreign companies which have agents in this consular district: Allgemeine Versicher, Germania, and Victoria zu Berlin, German; Alliance, Gresham, Standard, and Star, English; Allmänna Pensionfors, Nordstjernen, Norrland, Skane, Skandia, Svea, Valand, and Victoria, Swedish; Nat. Livsfor. Fredericia, Folket, Hafnia and Mundus, Nordisk Livsfor. A. S., and Trogg, Danish; National Livsfor. Bank, Dutch; Thule and Suome, Finnish.

There is a number of domestic life insurance companies doing a

^a Consul Cunningham transmitted with his report a copy in English of the proposed pending laws for the regulation of foreign insurance companies in Norway, which is on file in the bureau of manufactures, and which will be printed in Consular Reports should the regulations become law.

comparatively extensive business, insurance being considered only as part of a good business policy. The following is a list of Norwegian insurance companies operating here: Bergens Livsassuranceforening (mutual), Brage, Den Norske Livrentefor, Det Norske Livrentefor, Gjensidige, Glitne, Hygea, Idun, Norske Livrentefor, Norrna, Det Norske Livsforsikrings Aktieselskab, Rigsforsikringsanstalten, and Fram.

LIBERAL INSURANCE LAWS.

Few countries permit foreign life insurance companies to operate within their limits with the freedom that Norway does. No deposit is required under the laws of the Kingdom to qualify insurance companies of any kind of risks to operate in the country. Equal privileges are extended to all companies to take risks without any previous permission being obtained. No fees are required of any company previous to its authorization to operate. It does not appear that the Government establishes any supervision over foreign companies, but should a policy holder in a company doing an extensive business in the Kingdom request an investigation under the direction of the royal commission it would certainly result in great detriment, if nothing else, to the company's business if the commission were not satisfied with the company's straightforward dealing as well as its ability and willingness to meet all legitimate claims. When a company establishes an office it is required to notify the local register of firm names in the same manner as all business firms.

There is no law requiring any of the premium receipts of a foreign company to be invested and held here, nor is the amount of unimpaired capital required of foreign companies operating in Norway governed by law.

GOVERNMENT SUPERVISION AND PUBLICITY.

There does not seem to be any great amount of supervision made of insurance companies by the Government. Under a manifest of May 10, 1810, provision was made for the appointment by the King of a committee which will have general supervision of charitable and provident institutions, which has been construed to include insurance companies, and unless the commission should extend its supervision to foreign companies no system of general supervision is possible by national or local law. In case the royal ratification is not obtained by the company to transact business there does not seem to exist any remedy whereby this committee can enforce its refusal to indorse the company. In fact the law authorizing the committee expressly says: "The aim of this supervision shall not be to prohibit the execution or continuance of these institutions, but their plans or laws shall by the named committee be carefully investigated and scrutinized." It goes without saying that if the company is not satisfactory to this commission it would be very difficult for it to be successful with its business among the citizens.

No publicity of foreign companies is required by the laws of the land as to the conditions of each company, though a company which can make a favorable showing will be only too glad to publish its statements, which is done annually by inserting in the shape of an advertisement a statement of its conditions in such papers as it

desires. In addition to this its annual statements are published in other ways, but the statement is not vouched for by a Government officer. Norwegian life insurance companies are required to send the department for finance their balance sheet revised and accompanied with a certificate from two of its board that the funds quoted have been found on hand by investigation at the end of the business year. Alterations of its by-laws are laid before the above-named commission before the alterations are approved by the Government and take effect.

TAXES.

The taxes of foreign companies are regulated by the town-tax law of April 15, 1882, paragraph 14: "Foreigners or foreign companies which carry on in this Kingdom banking business or insurance operations are taxed on the capital employed and the income derived from their business at the place where it is transacted." It was decided by the high court of justice at Christiania in 1895 that such companies must pay taxes upon all their business for the entire Kingdom in the community where the head office is located. Thus should a company establish a head office and appoint agents in the different cities of the Kingdom, and even own real estate at the various places, it must pay taxes only at the place where its head office is on the business done in the entire Kingdom. If the company has no chief agency in the country, it will have to pay taxes in each place where it operates. The rate paid by foreign companies is then the same as assessed against domestic ones. They pay on income only unless the company owns real estate or has a capital stock in some form in the Kingdom, when it must pay on these the same as domestic companies.

RUSSIA.

Under the laws of Russia a foreign insurance company must make a deposit of \$257,000 and invest the entire premium reserve on all business done in the Empire in approved Russian securities. A 10 per cent reserve capital is also required. Business is transacted under a charter granted by the Government, which also supervises all the insurance. Three American and one French company operate under charters, and the American companies are fully as popular as the Russian. In 1903 the American companies collected \$4,160,170 in premiums.

Consul-General Ethelbert Watts, of St. Petersburg, reports as follows concerning life insurance companies in Russia.

FOREIGN COMPANIES.

There are three American life insurance companies operating in the Russian Empire, two of which have not the right to operate in Finland, while the third is restricted to Finland. Of other foreign companies there is one French company, operating under an official act of admission, and two or three German and one Swedish company operating unofficially.

The American companies enjoy popularity, and in fact receive more

patronage than the French company. Up to now they have, as regards extent of business, received as great a share of it as domestic companies. There is some discrimination in local laws against foreign companies in general, but not against American companies in particular. No discrimination exists on the part of the Russian people against American companies.

On December 31, 1903, American companies had the following life insurance business in Russia: Policies in force, 35,076, covering 164,307,000 rubles (\$84,618,105) of insurance. The premiums collected by the companies during that year were 8,078,000 rubles (\$4,160,170).^a

CAPITAL, DEPOSITS, AND TAXES.

A deposit of 500,000 rubles (\$257,500) in cash, Government securities, or securities of local enterprises whose principal and interest are guaranteed by the Government, is required from all foreign companies. Besides they are obliged to invest the entire premium reserve on the life insurance business secured in the country in securities of the kind above named. Furthermore, from the profits of any accountancy, 10 per cent has to be laid aside for the purpose of constituting a so-called reserve capital, intended to cover any fluctuation that may take place in mortality necessary to make up deficiency in case the actual mortality shall exceed the assumed one. No fees or taxes are required previous to authorization. Subsequently a municipal license fee, similar to that levied on bankers or commercial enterprises, is imposed.

The reserves to be invested are calculated on all life and endowment policies according to the table of mortality known as the table of 23 German companies M. I., and 4 per cent interest. On pure endowments and annuities the reserves are calculated according to what is known as zemmlers table of mortality and 4 per cent interest. Companies are authorized to deduct from these reserve deposits any excess that there might be of the amount on deposit above the actual deposit required as of December 31 of any year, and are likewise permitted to deduct from the reserves the sums loaned to the companies' policy holders under policies issued in Russia.

No restriction as to capital exists beyond the 500,000 rubles (\$257,500) deposit before mentioned. The Government reserves the right of investigation as to whether a company's character or standing in its place of incorporation, or in other countries where the company may be doing business, is satisfactory or not. The taxation of the business of life insurance companies is as follows: One-tenth of 1 per cent of the premiums collected is levied for the purpose of governmental supervision, and one-fifteenth of 1 per cent of the premiums collected is levied for the specific purpose of defraying the cost of maintenance of the department of insurance. Aside from this, policies must be provided with a revenue stamp of 1 ruble (51.5 cents) each regardless of the amount thereof. A 5 per cent tax is levied on the net profits of the business of any accountancy year.

^a Consul Heenan, of Odessa, says in this regard: In 1903 seven Russian life insurance companies issued 14,364 policies, in case of death, for 44,005,131 rubles (\$22,662,693), while the two American companies issued 6,911 policies, for 28,454,219 rubles (\$14,649,288).

No special license fees exist beyond the revenue stamp of a small amount on agents' contracts. There are no valuation fees other than those mentioned for the maintenance of the insurance department. As an income tax does not exist in this country there is no provision as regards deduction on account of life insurance premium payments.

CHARTER AND GOVERNMENT SUPERVISION.

The company applying for a charter must furnish proof that it has the right of transacting unhindered its business in the State or country where it was formed. Thereupon the committee of ministers has to pass upon the application, and the decision of the committee, in order to become valid, requires the approval of the Emperor. If the approval is given, the minister of the interior, with the concurrence of the ministers of finance and justice, has to pass upon a set of rules and regulations covering the transaction of business by that company in Russia. After the approval of these regulations they are published through the official Senate paper as legal enactments and decrees and become a special law.

From this moment the charter of the company, which, under the practice in Russia, contains likewise the regulations of all of the business transacted by the company, becomes equivalent to a law of the land, and the tribunals called upon to render judgments in litigation for or against the company are obliged to be governed by the provisions of the charter of the particular company concerned. American companies and local ones are treated alike in this respect.

Governmental supervision exists through a separate department in the ministry of the interior, which is known as "Department of Insurance and Measures of Protection Against Fire." Companies are held to render to the department of insurance a report annually of the Russian business transacted, as well as of its entire business. This annual statement, in a form somewhat shorter than the one required for the use of the department, must be published in the official newspapers of both St. Petersburg and Moscow. Beyond that the companies are at liberty to make publication of their affairs through all other channels available, with the restriction, however, that aside from the annual report the companies are not allowed to advertise about funds or property that they possess outside of the Empire.

Consul Thomas E. Heenan, of Odessa, writes as follows on Government supervision of insurance companies in Russia:

Since 1904 the Government has organized a surveillance service over the operations of the insurance companies. It emanates from the ministry of the interior and is confided to the committee of insurances. The committee consists of two delegates representing the ministry of the interior and two delegates representing the ministry of finance, and deliberates under the presidency of the director of the department of economy of the ministry of the interior. The committee of insurance has for its principal duty the study of all the questions relating to insurance, the elaboration of law projects, the examination of statutes, the surveillance and inspection of private as well as public societies, and the administration of the State insurance.

Seven domestic companies are operating: The Russian Company of 1835, the St. Petersburg Company, the Yakor, the Rossia, the

Zabotlivost, the General Company, and the Russian Company of 1827. One other company, known as the Commercial, is still in existence, but it is engaged in liquidating its business.

LIFE INSURANCE IN RIGA.

In regard to life insurance in the Riga district, Consul N. P. A. Bornholdt writes:

Two American companies are operating in this district. The only other foreign company represented here, through a general agency for the Baltic Provinces, is the French company, Urbaine, which has its head office for Russia and Sweden at St. Petersburg. Nearly all Russian companies do business in Riga.

To judge by the success of their operations, the two American companies enjoy undoubtedly full public confidence, and notwithstanding that their principal method of insurance (tontine) was suppressed by the Government about five years ago, their operations do not seem to have notably decreased.

SPAIN.

There is no code of insurance laws in Spain, the enactments on the subject being found in various volumes of statutes. Government supervision extends only to a review of the annual statement for taxation purposes. Foreign companies are required to deposit 20 per cent of their premiums up to 1,000,000 pesetas, and all companies are taxed one-half of 1 per cent on all premiums collected and a stamp tax of 2 per thousand. No prejudice exists against American companies.

Consul-General Benjamin H. Ridgely, of Barcelona, reports as follows on insurance companies in Spain:

STATUS OF FOREIGN COMPANIES.

In order to obtain the right to transact business in this country foreign companies are required to deposit a copy of their statutes, translated into Spanish, at the board of trade in Madrid and to deposit 20 per cent of their premiums up to the sum of 1,000,000 pesetas (about \$148,000),^a which must be invested in Spanish State bonds. A tax of one-half of 1 per cent on all premiums collected is imposed, besides which there are stamp dues amounting to 2 per 1,000. Life and marine insurance companies pay one-half of 1 per cent on their premiums. The limited liability companies pay 3 per cent of the dividends declared to their shareholders out of earnings in Spain. There is no income tax in Spain, and the "Impuesto sobre Utilidades," or, in other words, a tax on earnings, which was instituted in 1902, is levied only on the profits of incorporated companies and on the salaries of all Government officials and clerks in private firms earning over 1,500 pesetas (\$215) a year.

^a At the date on which this report was written the peseta was valued at 14.8 cents.

The law does not fix or require any stated amount of capital, either impaired or unimpaired. Detailed reports of all premiums collected in Spain must be presented quarterly to the Government inspectors, who also examine the books. This inspection is principally for taxes. Publicity is given by some companies to their condition and affairs by advertisements in the public press; in some cases the yearly balance sheet is published in the *Official Gazette*.

The guaranty for the insurances effected in Spain, whether by domestic or foreign companies, will consist of 20 per cent of the premiums collected during the preceding year in the case of life, fire, and property insurance; and of 20 per cent on all premiums collected during the preceding quarter for marine insurance and insurance of bonds. In no case will the guaranty required of companies covering life, fire, and damage to real or personal property insurance exceed the sum of \$148,000, nor in the case of marine or insurance of bonds will it be required to exceed the sum of \$37,000. The guaranty or deposit shall be invested in Spanish State bonds or in real estate.

BUSINESS TRANSACTED BY AMERICAN COMPANIES.

I have requested the four American companies doing business here to furnish me with this information, but only two of them have complied. On the 31st of December, 1904, the two companies in question had in force in Spain 15,068 policies, representing a total assured value of \$27,634,418. Another life-insurance company reports to me that during the year 1904 it wrote a total of 31,177,000 pesetas (\$4,614,196) in Spain, as against 13,317,000 pesetas (\$1,962,916) in 1903. This company is now believed to be doing the biggest business in Spain.

Spain being neither a tropical nor semitropical country, insurance companies charge the same rates to residents here as to residents of the United States or other European countries. There is no feeling whatever against American companies, which are as popular as any other foreign companies. The American companies are doing more business than their rivals, but there is in certain circles an undercurrent of belief that the English companies are safer and sounder. There is no discrimination in the local law or on the part of the people against American companies.

INSURANCE LAWS OF SPAIN.

The laws and regulations governing insurance business are not printed separately, and can only be ascertained by a careful study of the civil laws of the country. The following works, besides the "*Codigo Civil*," contain information relating to the existing laws regulating insurance business in Spain: *Codigo de Comercio*; *Manual del Impuesto de Derechos Reales y Transmision de Bienes*, 1900 (published at Madrid, Calle Don Pedro, No. 1); *Manual de lo Contribucion sobre utilidades* (published at Madrid, Calle Don Pedro, No. 1); *Timbre del Estado*, by Santiago Sanarega (published by T. Minuesa de los Rios, Calle Juanelo, 19, Madrid). These publications can all be procured through Paul Schneider, English bookseller, *Libreria Nacional*, Rambla de Cataluna, 72, Barcelona.

COMPANIES OPERATING IN SPAIN.

Among the life insurance companies doing business in the Barcelona district are the following:

French.—Le Phénix, L'Union, La Nationale, L'Urbana, La Paternal, La Présvatrice, Maritime, Melusine, Prévoyance Securies, La Foncière, La Sphère, La Mutuelle de France et des Colonies, and La Mutuelle Lyonnaise.

English.—Union of Norwich, Union Assurance Society, the Standard, the Liverpool and London and Globe, English and Scottish Law Assurance Association, Gresham, Sun Fire Office, Phoenix Assurance Company, Commercial Union, Northern Assurance Company, the Royal, London and Lancashire, the Palatine, the Manchester, Indemnity Mutual Marine Assurance Association, the Underwriting and Agency Association, Royal Exchange, Union Marine, the General Accident Assurance Corporation, Reliance, the British Foreign Marine, the Sea Insurance Company (Limited), London and Liverpool, North British.

Swiss.—La Zurich, La Suiza, L'Helvétia, and La Fédérale.

Italian.—La Alianza, L'Assicuratrice Italiana, La Anonima de Accidentes, Italia, L'Universo, and Liguria.

German.—La Reunion, La Badense, Lloyd Aleman, La Nord-Deutsche, La Mannheim, El Alto Rhin, Lloyd Internacional, Germania, and La Colonia.

Dutch.—Lloyd Neerlandés.

The Spanish companies of all kinds operating in this district are the following: La Union y El Fenix Espanol, Banco Vitalicio de Espana, La Prevision Paternal, La Actividad, La Polar, La Aseguradora Espanola, La Mutual Franco-Espanola, La Mutualidad Espanola, La Mutua Iberica, Nueva Hispania, La Vasco Navarra, Sociedad de Seguros mutuos de Vizcaya, La Mutua Almeriense, La Prevision Espanola, La Union Alcoyana, La Alianza de Santander, La Mutua General de Seguros contra Incendios, La Prevision Nacional, Lloyd Espanola, Centro Barcelonés, Centro Catalán, La Agraria, La Agricola, La Regeneración, La Union Suiza, La Union Espanola, La Proteccion de la Agricultura Espanola, El Fenix Agricola, La Protectora Iberica, La Union Cartagenera, La Estrella, La Iberia, La Prevision, La Alianza, La Hispania, La Previsora, La Catalana, Austria y Hungria, Aurora, La Alborada, El Dia, El Norte, La Vasconia, El New Fenix, La Positiva, La Esperanza, Patria, La Espanola, Centro Barcelonés, Centro Catalán, La Agraria, La Agricola, La Regeneración, La Union Suiza, La Union Espanola, La Union Catalana.

FOREIGN COMPANIES IN JEREZ DE LA FRONTERA.

Consul Price, of Jerez de la Frontera, submits the following for his district:

There are four American life insurance companies operating in this consular district. The other foreign life insurance companies doing business here are as follows:

English.—Union, of Norwich; Union, of London; The Standard; Liverpool, London and Globe (fire); English and Scottish Law

Assurance; The Gresham; Commercial Union; Northern Assurance Company.

French.—La Phénix; L'Union; La Nationale; La Urbaine; La Mutuelle de France; La Mutuelle Lyonnaise.

Swiss.—La Zurich and La Suiza.

Italian.—Alianza.

Some of the lawyers here assert that there is some prejudice against American companies; but I am assured by insurance agents and business men that there is no prejudice, and I believe that patrons are indifferent to nationality and only look to the credit and resources of the company. From their amount of business it would seem that American companies are very popular.

NO PREJUDICE IN SEVILLE.

Consul R. M. Bartleman submits the following information for the Seville district:

There are three American and four foreign insurance companies operating in this district, the latter being L'Urbaine and Le Phénix, French institutions; and the Gresham and Commercial, English companies. The domestic insurance companies are the Polar, Estrella, and the Banco Vitalicio. So far as I am able to ascertain, the popularity enjoyed by American insurance companies doing business here is equal, if not greater, than that of the competitive foreign institutions, there existing neither discrimination in the local laws nor bias on part of the people.

SWEDEN.

Foreign life insurance companies must operate in Sweden through a responsible general agent, must show that they are in good standing in their home countries, deposit \$26,800 in the Government bank, and be at all times subject to inspection by the properly constituted authorities. Four American companies do business there, the insurance chargeable to them at the close of 1903 being \$8,358,643. They do a good business, notwithstanding the efforts of Swedish companies to discredit them.

Consul R. S. S. Bergh transmits a translation of the Swedish laws for foreign life insurance companies, and writes as follows concerning conditions in Sweden at the close of 1903:

FOREIGN AND DOMESTIC COMPANIES.

There are 4 American and 18 other foreign life insurance companies operating in this country. The foreign companies, other than American, are Mundus, of Copenhagen; Kaleva and Suomi, of Helsingfors; Victoria zu Berlin; Deutsche Lebens-Vers. Gesellschaft, Lübeck; Germania, Stettin; Alliance Assurance Company, London; Royal Assurance Company, Liverpool and London; Northern Assurance Company, London; Liverpool and London and Globe Insurance Company; English and Scottish Law Life Assurance Association, and Star, London; General Life, London; Standard, Edinburgh; Gresham,

London; Union Assurance Society, London; L'Urbaine, Paris; Nationale Levensverzekerings Bank, of Rotterdam.

There are 19 domestic life insurance companies, viz: Scandia, of Stockholm; Svea, of Gothenburg; Skane, of Malmo (life and fire); Nordstjernan, Thule, Victoria, Nordoplen, De Förenade, Allmänna, Lif, Balder, Oden, Svenska Lif, Valand, Svecia, Vasa, Allmänna Pensionsbolaget, Trygg, Brage, and Kronan, having their head offices in Stockholm.

INSURANCE BUSINESS.

The business or amount of insurance with all the Swedish companies, at their own risk, increased by about 301 per cent during the period 1886-1903. During the year 1903 alone their aggregate insurance increased by \$14,571,797, or about 8.81 per cent. The net increase in the Swedish business of the foreign life insurance companies amounted to about \$84,820. The business of two American companies increased during the year, while the other two decreased. The exact figures can not be given, because the available statements are conflicting. Ten of the foreign life insurance companies did not gain any new Swedish insurance during the year.

The total number of policies and net total amount of the different kinds of life insurances, including mixed life and endowment insurances, in force in Sweden at the close of the year 1903 were as follows:

Insurance in effect in Sweden.

Companies.	Number of policies.	Insurance.	
		Kroner.	Dollars.
Swedish	322,761	671,776,146	180,096,007
American	8,471	31,188,966	8,368,643
Other foreign	6,489	25,060,551	6,716,228
Total	337,721	728,025,663	195,110,878

To this must be added mixed endowment, equipment, interest, and life-annuity insurances, as follows:

Companies.	Insurance.	
	Kroner.	Dollars.
Swedish	27,856,625	7,465,575
American (interest insurance only)	130,979	35,102
Other foreign	424,084	113,641
Total	28,411,688	7,614,318

The general agents for the American companies reside in Stockholm, and they have 757 subagents throughout Sweden.

STANDING OF AMERICAN COMPANIES.

As far as I have been able to learn, the laws do not make any distinction between different foreign insurance companies, neither do they appear to unduly favor domestic companies, but I venture to say that public opinion may be somewhat prejudiced against foreign

insurance companies, American companies not excepted. This prejudice is possibly strongest among people interested in the domestic companies or insurance concerns.

A little book written by Mr. Sven von Sneidern, and printed by Albert Bonniers Förlag, Stockholm, for the information of the public about the purposes and advantages of life insurance, also mentions the American life insurance companies operating in Sweden. Mr. von Sneidern says:

If we compare the running expenses of three of the four American life insurance companies, viz, * * * with the running expenses of the Swedish companies, the comparison will be decidedly in favor of the latter. In this connection it may be expedient to throw a little more light upon the operations of the American companies in this country, this especially because among the foreign companies it is chiefly the American companies which, by an energetic and often ruthless ("hänsynslös") propaganda, have succeeded in duping the Swedish public. Let us therefore investigate what the prospects are for cheap insurance in the American companies compared with the Swedish.

In the foregoing we have seen that the factors which have influence upon the profits of a company—mortality and costs—are decidedly more favorable for the Swedish than for the American companies. It is true that the American companies yield a little higher interest than the Swedish, but still the difference is so small that it is several times covered by the difference in the costs. The premiums demanded by the American insurance institutions are, as stated before, higher than those paid to the Swedish companies; for instance, the premiums paid to one American company * * * are 14 per cent higher. Everything seems, therefore, to indicate that insurance in American companies is more expensive than in the Swedish, and such is the fact.

An investigation made by a Swedish insurance man shows that "even if the Swedish companies did not give their policy holders a cent in dividends their insurance would still, only by reason of the difference in the premiums, be considerably cheaper than in the American companies." Under such conditions it is deplorable that a sum of 1,000,000 crowns (\$268,000), and even much more, in the form of premiums is yearly collected from this country by the American life insurance companies. As far as the fourth American life insurance institution * * * is concerned, it excited here in Sweden, as well as elsewhere, a disagreeable attention a few years ago by reason of its unbusinesslike transactions. Still it continues to felicitate our country by its high-sounding, grand promises, in spite of the fact that it is nearest to be considered as a swindle enterprise, without any solid foundation at all; but let us hope that it will, by reason of our new insurance law, decide to quit its operations here in Sweden before the end of this year.

The insurance institution last above referred to by Mr. von Sneidern was also criticised in the daily press here two or three years ago, which may have made an unfavorable impression upon the public at large.

INSURANCE LAWS OF SWEDEN.

New insurance laws were enacted July 24, 1903, and became effective January 1, 1904. Of these new laws, one concerning domestic insurance companies or institutions and one concerning foreign insurance companies operating in this country are printed in a book of 72 pages, entitled "Försäkringsföreningens, Tidskrift, 1903, Supplementhäfte I, Försäkringslagarne af den 24 Juli, 1903, m. m.," and can be obtained from Messrs. Aktiebolaget, Nordiska Bokhandeln, Stockholm. Price, 1.50 kroner (40 cents).

The law of foreign insurance companies follows:

ARTICLE 1. A foreign insurance institution may operate in this Kingdom in insurance business through a general agent as manager and under the other con-

ditions specified below in this law. Such institution may not have more than one general agent. The general agent may, if it is not prohibited in his power of attorney, use agents as representatives in running the business.

ART. 2. The general agent shall reside in this Kingdom, shall enjoy civic confidence, and shall not be under any legal disability preventing him to act for himself and have control over his property, and, if he is a foreigner, he shall in the manner separately prescribed have obtained permission to carry on business in this Kingdom. The general agency may also be held by a Swedish stock company or mutual insurance company, providing that all the members of the board of directors are qualified according to the conditions above mentioned in this paragraph, or by a Swedish commercial company if all the partners are so qualified. In the former case each member of the board of directors or managers is responsible, and in the latter case each partner who is not only a commandite partner is responsible for the fulfillment of the duties of the general agent.

ART. 3. A foreign insurance institution engaged in insurance business in this Kingdom shall in all legal matters or conditions connected with such business be obliged to answer before a Swedish court of justice and submit to the decisions of Swedish authorities. A foreign insurance institution must first obtain permission from the board of insurance inspectors before starting insurance business in this Kingdom. To the petition for such permission should be attached:

(1) Documents showing that the general agent is qualified to act as such according to article 2;

(2) Two copies of the institution's regulations ("reglemente");

(3) Statement, according to special decision or request of the board of insurance inspectors, about other grounds or principles for the business of the institution;

(4) Proof that the institution in its native country with legal right is operating in such insurance business as that under consideration, with properly certified statement as to the time during which the institution has operated in such insurance business in its home country, and as to the remarks which the authorities there during the last three years may have made against the business or operations of the institution, also the managers' yearly reports and the auditors' report ("revisionsberättelse") for each of the last ten years in case the institution has carried on insurance business for so long a period;

(5) Power of attorney for the general agent, empowering him for account of the institution to carry on insurance business in this Kingdom and in all matters connected therewith to act for the institution, and for its account to receive citations, and to declare and plead, either in person or through somebody else;

(6) Written authorization for the board of insurance inspectors, in cases mentioned in paragraphs 7 and 11, to appoint an agent who for account of the institution shall receive citations and in other matters act for the institution;

(7) A written declaration that the institution in all matters concerning the insurance business in this country submits to Swedish laws and regulations and the decisions of Swedish authorities;

(8) A proper certificate to the effect that the person who has issued the documents mentioned in paragraphs (5), (6), and (7) is authorized to issue them, and that the documents or instruments are drawn up agreeably to the laws of the native country.

(9) Proof that the institution, for the purpose stated in paragraph 9 and in the manner and on the conditions approved by the board of insurance inspectors in the Riksbank (Government bank), has deposited money or papers of security in the amount of 100,000 kronor (\$26,800) for life insurance, the same amount for fire insurance or marine insurance, and an amount of 50,000 kronor (\$13,400) for each kind of other sorts of insurance.

By the term "life insurance" this law includes also life annuity and endowment insurance.

ART. 5. If the general agent is found qualified for the position, according to paragraph 2, and if the documents or instruments delivered also in other respects are of the character required, the insurance inspectors are to grant the institution permission to operate in insurance business in this Kingdom. Still, such permission shall be withheld if the principles or business methods of the institution are founded on a system which evidently is of a character which does not give a safe insurance business, or if, with reference to the contents of the

documents mentioned in paragraph 4, safe insurance business can not be expected.

If permission is granted the board of insurance inspectors shall in the public newspapers insert a notice to this effect, together with the power of attorney, or, when it is written in a foreign language, a Swedish translation of same.

ART. 6. If any change is made in the regulations or other stated grounds for the business of the institution the general agent shall, within three months after the change, deliver two copies of the decision making such change. The board of insurance inspectors shall then immediately in the public newspapers give notice about the change. If the authorities in the native country of the institution have made any objection to the business of the institution the general agent shall, as soon as possible, in writing, notify the board of insurance inspectors about this.

ART. 7. If the general agent is incapacitated to act as such by reason of ceasing to be a proper person, according to paragraph 2, or for other cause, or if he resigns from his position, or if his power of attorney is recalled, the insurance inspectors shall, for the time until the objection is removed or a new general agent has been appointed and approved by the inspectors, appoint a person to act for the institution, receive services of citations, and in other respects represent the institution with reference to insurance contracts already made; and the insurance inspectors shall immediately give notice about this in the public newspapers. Until such appointment has been advertised policy holders are entitled to deposit due insurance premiums with the insurance inspectors to the same effect as if paid directly to the institution.

ART. 8. It is the duty of the general agent—

(1) To hold accounts and documents accessible for the board of insurance inspectors or its representative, and, further, to furnish the information demanded by the board of inspectors about the institution and its business in this Kingdom; (2) to make, according to form prescribed by the insurance inspectors, for each fiscal year, a statement showing the business of the institution within this Kingdom, and send said statement to the board of insurance inspectors within eight months after the end of the year, and within the same time he shall also publish said statement in the public newspapers; (3) he shall also, within three months after the date on which the auditors' report on the accounts and management of the institution has been read on a meeting of the shareholders, deliver a copy of said report to the board of insurance inspectors.

ART. 9. The amount or value a foreign insurance institution, according to article 4, has deposited in the Riksbank may be used only for payment of claims by reason of insurance contracts belonging to the business of the institution in this Kingdom, also for fines, dues, and compensations which the institution or the general agent may be ordered to pay by reason of this business. If the amount or value deposited is reduced, for the reason that the security papers decrease in value or that a part of the amount is used for payment of claims, fines, dues, or compensations, or for any other reason, the part lacking in the prescribed amount shall be furnished within four weeks after the date on which the insurance inspectors have notified the general agent about the deficiency. If the deficiency is not filled within the time last above prescribed, the institution shall have forfeited its right to carry on insurance business in this Kingdom; and the insurance inspectors shall immediately give notice, in the public newspapers, about such fact.

ART. 10. If this law is not complied with, or if there is any change in the conditions on which the permission to operate the insurance business in this country was founded, the board of insurance inspectors may recall the permission. If the permission is recalled, the board of insurance inspectors shall immediately cause a notice to this effect to be published in the newspapers.

ART. 11. If a foreign insurance institution ceases to operate in this Kingdom the institution shall send in a report to the insurance inspectors with proper power of attorney attached, naming a representative, who can be approved by the inspectors, to act for account of the institution and receive services of citation and, in general, to represent the institution in matters relating to insurance contracts already made; for the time until such report has been delivered the insurance inspectors have a right to appoint a representative with such qualifications or authority. The board of inspectors shall immediately cause a notice about the power of attorney or appointment to be published in the newspapers. Until such notice has been published policy holders are entitled to deposit due insurance premiums with the insurance inspectors, with the same effect as if paid to the institution. If a foreign insurance institution has ceased

to operate in this Kingdom, the amount which, according to article 4, has been deposited in the Riksbank may, after notice to the insurance inspectors, be withdrawn by the institution if it is proved that all the obligations of the institution referred to in article 9 have been settled, or provided that the institution has furnished other security approved by the inspectors.

ART. 12. A representative who, according to article 7 or 11, has been appointed by the board of inspectors shall be entitled to receive from the institution a compensation to be fixed by the King.

ART. 13. A foreign insurance institution operating in this Kingdom shall in all communications to the public, in signing its name or firm, be obliged to state the name of its home country, also the character of the institution, whether founded on stock shares or on mutuality, or on other principles. Such institution or its agents or personnel may not state that the institution has, by the deposition prescribed in article 4, furnished full and safe security for their Swedish policy holders, nor state that the institution in all its business is under the control of the Swedish Government; neither may other designation of similar contents be used. Insurance policy shall contain the general rules of the institution granting the insurance as well as the special rules or conditions for the insurance set forth in the policy. If communications to the public or statements about the funds of the institution include unpaid engagements of partners or guarantors, the amount of such engagements or obligations shall be stated separately.

ART. 14. If document or instrument delivered to the insurance inspectors, according to this law, is drawn up in a foreign language a certified Swedish translation thereof shall, if demanded, also be delivered. Notices published in the newspapers, according to this law, shall be paid by the institution for whose account they are published.

ART. 15. Conditions or facts which, according to this law, shall be published in the newspapers may not, before such publication has been made, be used against anybody unless it can be proved that he had knowledge of such conditions or facts.

ART. 16. Toward defrayment of the costs for the organization and work of the board of insurance inspectors, foreign insurance institutions operating in this Kingdom shall pay a yearly contribution according to the decision of the King. This contribution may not in any case exceed one-fifth of 1 per cent of the institution's whole income of premium receipts (afgifter) for the next foregoing calendar year for insurances belonging to the business of the institution in this Kingdom.

ART. 17. Complaints about decisions of the board of insurance inspectors may be lodged before the King.

ART. 18. Anyone who for the account of a foreign insurance institution operates insurance business in this Kingdom, when the institution has not obtained permission to carry on such business, shall pay a fine ranging from 50 to 5,000 kronor (\$13.40 to \$1,340). If anyone during the time he is under prosecution for such offense as mentioned in this paragraph continues the same offense he shall, when legally found guilty, for each time citation therefor is issued and served be sentenced to the fine prescribed for such offense.

ART. 19. If a general agent neglects to fulfill the duties enjoined on him according to articles 6 or 8, or if anyone is found guilty of an offense against the regulations in clauses 1 or 2 of article 13, such person shall be sentenced to a fine from 5 to 500 kronor (\$1.34 to \$134). The same point of law applies to offense against clause 3 of article 13, and to anybody who in any other manner in communications intended for the public gives untrue or misleading statements about institutions referred to as being under consideration in this law. Anybody knowingly giving untrue statements in answer to the questions referred to in articles 4, 6, or 8 shall be sentenced to a fine from 50 up to 2,000 kronor (\$13.40 to \$536), if the general penal code does not prescribe any punishment for the offense.

ART. 20. Fines paid according to this law shall be forfeited to the Crown. If there are no means to pay the fines with they shall be commuted as prescribed in the general penal code.

ART. 21. This law does not apply to foreign insurance institutions which operate only in reinsurance in this country.

ART. 22. This law rescinds the royal proclamation of October 22, 1886, concerning the conditions for the right of foreign insurance institutions to carry on insurance business in this Kingdom.

A foreign insurance institution which, with due permission, is operating insurance business in this Kingdom at the date when this law goes into effect,

shall, if it desires to continue the business more than one year after such date, apply for permission to do so, in the manner specified in article 4.

LAW OF DOMESTIC INSURANCE COMPANIES.

The law about the domestic insurance companies covers 52 pages and contains 166 paragraphs and is also very strict. In applicable points it is of the same tenor as the law for foreign insurance companies. Instead of depositing in the Riksbank, the domestic companies shall, however, yearly set off a certain amount of the income for the "insurance fund" and "security fund." There are also some other acts by which the regulations or by-laws of individual companies have been sanctioned, and the general law about stock companies may also apply to certain insurance companies.

SWITZERLAND.

The Swiss law provides for strict government supervision, a deposit to be determined in each separate case, and a Federal tax of 0.1 per cent on the yearly premiums paid in the Confederation. A copy of the law is appended. There is no prejudice in the laws or public sentiment against American companies.

Vice and Deputy Consul Munier, of Geneva, says:

FOREIGN AND DOMESTIC COMPANIES.

There are three American life insurance companies operating in Switzerland. Foreign companies, other than American companies, operating in the Republic are as follows: Gotha, Leipzig; Allgemeine Versorgung Anstalt, Teutonia, Concordia, Stuttgart, Germania, and Atlas (German); Assurances Generales, Union, Nationale, Caisse Paternelle, Phenix, Urbaine, Soleil, Aigle, Confiance, Fonciere, Providence (French); Norwich Union, Union Society, Northern, General, and Star (English).

The names of the Swiss companies are the Schweizerische Lebens- und Renteanstalt, Suisse, Baloise, Genevoise, Schweizerische Lebensversicherung Verein, and the Schweizerische Sterbe und Alterskasse.

The general feeling toward American insurance companies operating in this district is good; they seem to be as popular as other foreign companies, and I am told that their business is prosperous.

There is nothing discriminating against American companies in the Swiss Federal laws.

QUALIFYING FOR BUSINESS.

In order to qualify to transact business in Switzerland the deposit of a certain sum of money or bonds at the Caisse Federale is required from all insurance companies by Federal law. For every applying company, the federal council has the legal right to name the amount of such deposit, which must be made in money or in first-mortgage bonds approved by the federal council. The companies must look themselves to the payments of dividends owed on said bonds and everything else concerning them. In addition to making the deposit the company desiring a franchise must submit to the federal council all official documents relative to the formation of the company, as well as the statutes and rules governing the method or

methods of carrying out insurance by said company; also statements showing the amount of capital and the condition of the company the preceding year. Death-rate statistics, rate of interest, net and gross premiums to be paid, and method of constituting the reserve fund are also required. Foreign companies must also make proof that they are authorized to enter into contracts and acquire rights in their own name in their country of origin. Each company must establish a general and legal domicile in Switzerland and have a general agent. A copy of the general power of attorney given to the latter must be filed at the Bureau des Assurances, in Berne. Furthermore, in every Canton of Switzerland where the company intends to do business, it must have a legal residence unless the contracts made with the persons insured state the domicile of the latter as being the legal place of residence of the company. There is no provision in the Federal laws as to investing in this country the premium receipts of any company.

TAXES.

The yearly rate of taxes to be paid to the Confederation of Switzerland by all insurance companies that have already received the authorization to do business in Switzerland amounts to 1 per 1,000 of the total yearly premiums paid and received in Switzerland. Companies who had not done any business in this country before June 25, 1885, or whose total yearly receipts in Switzerland are under 20,000 francs (\$3,860), will have to pay a minimum tax of 20 francs (\$3.86).

BUSINESS TRANSACTED BY COMPANIES.

On December 31, 1902, the number of life insurance policies contracted in Switzerland by the several companies was as follows.^a

Policies in effect in Switzerland.

Companies.	Number of policies.	Amount of policies.	Premiums received.
American.....	2,774	\$5,903,000	\$256,111
English.....	8,221	13,607,660	497,361
French.....	19,275	30,630,065	1,066,433
German.....	23,997	32,063,064	1,210,882
Swiss.....	86,224	59,908,840	2,326,904
Total.....	139,891	142,087,119	5,387,691

RATES OF INSURANCE.

There is no distinction made in rates and premium charged to natives and people of other countries residing in Switzerland. For

^a Consul Morgan, of Lucerne, says, in this regard:

In 1890, 67 per cent of the entire-life insurance policies taken out in Switzerland were for insurance to be paid only in case of death and 33 per cent to be paid between five and thirty years. In 1902 the proportion was 40 per cent for the former and 60 per cent for the latter. During the year ended December 31, 1902, the Swiss insurance companies operating in Switzerland received in life insurance premiums \$3,100,000 and paid out in policies \$1,576,000; German companies, \$1,270,000 and \$461,000; French companies, \$1,200,000 and \$1,050,000; English companies, \$500,000 and \$250,000, and American companies \$300,000 and \$150,000.

whole-life participating insurance a yearly premium of about 2.04 francs (39.3 cents) is demanded by Swiss insurance companies, at 20 years of age; 2.55 francs (49.2 cents) at 30 years; 3.46 francs (66.7 cents) at 40 years, and 5 francs (96.5 cents) at 50 years per 100 francs (\$19.30) of insurance.

GOVERNMENT SUPERVISION AND REGULATIONS.

Supervision and regulations have been established by Federal laws. Within six months after the expiration of the fiscal year all companies must forward to the "Bureau Federal des Assurances," in Berne, their balance sheets containing the following statements: (a) State of insurance at the beginning of the year; (b) increase or decrease of insurance policies; (c) number of deaths and probable death rate; (d) state of insurance at the end of the year; (e) statement about reinsurance; (f) total receipts and expenses during the year; (g) number of policies; (h) amount of premiums received in Switzerland; (i) amount of policies reimbursed.

The manner of publicity most generally adopted is by agents who call on people. Publishing reports in local newspapers, sending advertisements and prospectuses are also used to this end.

SWISS INSURANCE LAWS.

Consul George Gifford, of Basle, transmits the following translation of the Swiss law of June 25, 1885, on Government supervision of private companies:

ARTICLE 1. The supervision of private insurance companies conferred by article 34, paragraph 2, of the federal constitution upon the Confederation shall be exercised by the federal council, to which all insurance companies desiring to transact business in Switzerland are subject.

Strictly local companies—as, for instance, those maintaining funds for aid in case of sickness or death—are not subject to this law.

Police regulations in regard to fire insurance and the levying of a moderate tax on companies for fire companies and fire police are reserved to the several Cantons. Complaints against provisions of the kind last mentioned are to be referred to the decision of the federal council.

Cantonal insurance companies are governed by the provisions of cantonal law.

ART. 2. In order to be able to do business in Switzerland private insurance companies must fulfill the following requirements:

(1) There must be submitted to the federal council those published documents which contain the fundamental principles and the conditions of the proposed insurance, and in case the company has already engaged in business before this law goes into effect it must also submit such information as will show the situation of the business with respect to the matters mentioned in articles 5-8 (by-laws, prospectuses, rates, annual reports, and accounts, etc.).

There should be a particularly accurate statement of fundamental principles and conditions with respect to (a) incorporated companies, number and amount of shares subscribed and paid up, provisions with respect to further liability of shareholders; (b) mutual companies: Whether there is an endowment fund, with details of its character; whether the insured are responsible for the total annual losses, and to what extent.

(2) There must further be communicated to the federal council: (a) By life insurance companies: The tables of mortality, net premiums, additional payments, or other security for the costs of carrying on the business; the basis and method of reserve account and the method of carrying over premiums; (b) by accident insurance companies: The basis, extent, and character of liability (capital, annuities); method of reckoning reserve for existing annuity liabilities; for losses incurred but not yet liquidated, and of carrying over premiums for insurance not yet expired; (c) by companies insuring against

fire, hail, and material loss by transportation or otherwise; method of reckoning the reserve for losses reported but not fully determined at the end of the fiscal year, as well as for premiums carried over for insurance not yet expired and for premiums paid in advance.

(3) Foreign companies are also required (a) to furnish proof that they are able in their own name to acquire rights and assume liabilities at the place of their legal domicile; (b) to have a principal domicile in Switzerland, to appoint a general agent, and to produce the power of attorney which it is proposed to grant him.

(4) Every private insurance company is required to elect a legal domicile in every Canton where it transacts business, so that process can be served against it there, as well as at its principal domicile in Switzerland, by persons insured in a given Canton, in all cases in which the insurance contract does not provide that the courts of the plaintiff's residence shall have jurisdiction. Moreover, the plaintiff in cases of loss by fire may always invoke the jurisdiction of the court where the loss occurred. Companies are further required to fulfill all their obligations at the domicile of the person insured when the cantonal domicile is not selected in advance for that purpose. Provisions of insurance policies which are inconsistent with the above requirements are null.

(5) Private insurance companies are required to give security to the federal council in a sum to be fixed by that body.

ART. 3. On consideration of the above statements or of other circumstances of which it has gained a knowledge the federal council shall decide on the question of granting the desired authority to transact business. No insurance business whatever can be carried on by private individuals without the consent of the federal council. The provisional regulations provided for in article 14 are reserved.

ART. 4. Should changes subsequently take place in the circumstances mentioned in article 2 (1-3), the federal council to be at once informed of the same.

ART. 5. Every insurance company shall make its annual report to the federal council within six months after the expiration of the fiscal year; and for every principal branch of insurance (life, accident, fire, transportation, etc.), and for every kind of life insurance this report shall give exact information in regard to (1) amount insured at the beginning of the business year. (2) Life insurance: The increase of business and the voluntary withdrawals (policies abandoned, expired, paid up, etc.) during the business year. Other kinds of insurance: Amounts insured or liabilities corresponding to the amount of premiums collected. (3) The number of losses during the business year, and the sums paid or reserved to meet the same; for life insurance the ratio of deaths to the calculated probabilities must also be stated. (4) Amount insured at the end of business year, as well as the territorial extension of the business. (5) The extent of the reinsurance—that is, how much of its risks the company has covered in this way—and, moreover, whether they have reinsured other companies; and if so, to what extent.

ART. 6. With the annual report the annual account must also be submitted, containing:

(1) The total receipts and expenditures of the year for the different branches of insurance and for the different branches of life insurance, whereby there shall be particular specification (a) of premiums, interest, and other sums collected; (b) of reinsurances, reimbursement of premiums, losses, commissions, expenses of administration, and other expenditures.

(2) The balance sheet at close of the business year, particularly specifying (a) under the head of "Liabilities" the reserves according to the different branches of insurance and according to the different kinds of life insurance; (b) under the heading "Resources" are to be enumerated the real estate, investments of capital, and securities, according to their nature and value; the expenses of organization and the method of their amortization, so far as they figure among the resources; and arrears in the hands of agents. The balance sheets of the insurance companies are to be published in the official Journal of Commerce (Handelsamtsblatt). Insurance enterprises which do not close up their accounts annually may apply to the federal council for permission to do so at the expiration of a longer period.

ART. 7. At the time of presenting the annual accounts there shall be communicated (1) insurance contracts in force at the beginning and end of the business year, so far as they are transactions concluded in Switzerland; (2) pre-

miums collected in Switzerland during the year; (3) policies that have fallen due in Switzerland during the year. From the information furnished in compliance with paragraphs 2 and 3 of this article the results obtained in each Canton should be clearly shown.

ART. 8. When required, the insurance companies shall furnish the federal council with further information and permit examination of the books and every detail of the business management.

ART. 9. The federal council shall at all times issue such regulations as seem to it to be in the general interest and in that of the policy holders. When the condition of the company no longer offers sufficient security to its policy holders and it fails to make the changes in its organization and business methods required by the federal council, permission to transact further business shall be withdrawn by the latter body. In case of the withdrawal of a concession or its voluntary abandonment the security that has been furnished shall be refunded only after proof has been furnished that the company has fulfilled all its obligations in Switzerland and after legal notice to be published three times within six months at the expense of the company in such newspapers as shall be designated by the federal council. Persons interested shall forward their claims to the federal council within the time prescribed in the above-mentioned notice, and the security deposited by the company shall be refunded only in case no claims have been filed or when all claims have been settled by the parties or by due process of law.

ART. 10. The federal council may impose a fine not to exceed 1,000 francs (\$193) on companies or their representatives that disregard its orders and directions.

ART. 11. The cantonal courts have jurisdiction, either of their own motion or on complaint, for the punishment of (1) persons who transact an unauthorized insurance business in Switzerland or assist in such business; (2) the responsible managers, general attorneys, and agents who misstate or distort the facts in relation to the business of their companies in the documents, proofs, and information required by the federal council, or who shall publish false information (prospectuses, etc.). Persons convicted may be fined not more than 5,000 francs (\$965) and imprisoned not more than six months, or both imprisoned and fined in the sum stated. The sentence of the court may deprive persons guilty of infringing the provisions of this law of the privilege of transacting insurance business on Swiss territory. Fines imposed by this article belong to the Canton. The court shall transmit to the federal council a copy of its judgment. Offenses not falling under this article belong to the criminal legislation of the Cantons.

ART. 12. The federal council shall publish annually a detailed report on the insurance enterprises subject to its supervision. The federal council shall employ all necessary assistance in executing this law. As Government fee and as reimbursement of the costs of executing the law, the federal council shall exact from the companies a part of the premiums collected in Switzerland, but this quota shall not exceed one-tenth of 1 per cent.

ART. 13. All controversies of a legal nature between the companies themselves, or between the companies and the policy holders, shall be decided by the courts.

ART. 14. Insurance companies which have already done business in Switzerland and intend to continue the same shall, within six months, transmit to the federal council the statements mentioned in article 2. Until the federal council has decided upon the applications for permission to continue the business, the cantonal concessions and the cantonal regulations shall continue to be applicable to such companies. This regulation shall also be applicable in cases where the federal council has refused the desired permission, or where a company, renouncing such authorization, limits itself to the execution of contracts already existing at the time this law goes into operation. With exception of the provisions of the foregoing article, cantonal laws and regulations in conflict with the present federal law are repealed on the present law's going into effect. Accordingly Cantons are forbidden after this law goes into effect to grant concessions to private insurance companies to do business within their jurisdiction, to prolong existing concessions, or to subject the business of such companies to any special conditions, deposit of security, or payment of fees. But the right to collect the ordinary taxes and dues from the companies, their representatives and agents, is reserved to the Cantons.

ART. 16. The federal council is charged with the execution of this law and shall issue the necessary regulations.

SECURITY REQUIRED OF INSURANCE COMPANIES.

(Decree of Swiss Federal Council.)

In execution of article 2, paragraph 5; article 9, paragraph 3, and article 16 of the Federal law of June 25, 1885, in reference to the control of insurance companies, the federal council decrees:

ARTICLE 1. Insurance companies authorized by the federal council to transact business in Switzerland can deposit the security required of them either in cash or in securities.

ART. 2. If in cash, the same is to be deposited in the Federal treasury, and will be allowed interest at a rate to be fixed in each case by the federal council.

ART. 3. If in securities, the same are subject to the following regulations: (a) The list of securities which a company wishes to deposit shall be filed in the department of justice and police, which shall then decide as to their acceptance and valuation and the place where they are to be deposited. (b) Oversight of the securities (maturity, drawing, etc.) shall be exercised by the depositor. Substitutions may be permitted by the above department. (c) The coupons of deposited securities maturing toward the close of a year will in every case be left to the depositors in advance for the following year. (d) The cost of the care of the papers, delivery of coupons, replacements, preparation of documents, etc., shall be borne by the depositor.

ART. 4. The required security and such supplements or additions as may be called for shall be deposited at the required place within sixty days after communication of the order. Failure to do so authorizes the federal council to annul the concession.

ART. 5. The security shall have the legal form of a bailment (art. 210 of the Swiss law of contracts), and with reference both to the State and the depositor shall be regarded as a pledge for the fulfillment of the depositor's obligations.

ART. 6. The companies are forbidden to make reference to the security they have given in the advertisements, prospectuses, or other publications in which they or their agents solicit business.

ART. 7. In case of extinction of the concession for any reason the provisions of article 9, paragraph 3, of the law of June 25, 1885, take effect. At the request and cost of the insurance company the justice and police department will insert in the Federal Journal and the Journal of Commerce (*Bunderblatt* and *Handelsamtsblatt*), and, if it think proper, in other newspapers, the notice prescribed by law. Should there be no opposition or should the society prove that objection has been withdrawn by agreement or declared by judicial decision to be untenable, the security shall be refunded without further proceedings.

ART. 8. Also in other cases than those mentioned in the preceding article the federal council may direct the total or partial repayment of the security, according to circumstances.

REGULATIONS FOR THE GOVERNMENT FEES TO BE PAID BY INSURANCE COMPANIES.

ARTICLE 1. The Government fee which licensed insurance companies are required to pay to the Confederation is fixed until further notice at one-tenth of 1 per cent of the premiums collected in Switzerland.

ART. 2. Companies which have hitherto transacted no business in Switzerland, and those whose annual collection of premiums does not amount to 20,000 francs (\$3,860), shall pay a minimum fee of 20 francs (\$3.86).

ART. 3. In computing the Government fee there are to be considered the premiums collected for (a) policies taken in Switzerland by persons domiciled in this country; (b) policies issued directly by the company's officers, if it have its domicile here, or by its Swiss agents, to persons domiciled in foreign countries; (c) policies agreed upon in foreign countries in case the holders of the same pay their premiums in Switzerland to the company's officers or their agents.

ART. 4. By "premiums collected," in the sense of article 12, 2, of the Federal law, are meant gross premiums. No deductions for reinsurance premiums shall be allowed.

ART. 5. Every year after closing their accounts the insurance companies shall make a report to the justice and police department, in conformity with the foregoing regulations and article 7 of the law touching the premiums found to have been collected in Switzerland.

ART. 6. The amount of the fee to be paid shall be determined by the department. The determination shall always be made provisionally on the basis of

premiums collected during the previous year. After reception of the report for the year in question the amount of the fee shall be finally determined and the difference collected, or credited to the company, as the case may be.

ART. 7. The Federal Council shall decide controversies in regard to the correct calculation of the fee, protests against which are to be filed within thirty days after communication of the decision of the justice and police department to the companies.

ART. 8. Payment of the fee shall be made into the Federal treasury within thirty days after notice of the amount has been given. Should payment be delayed beyond the date fixed, the Federal Council shall impose a fine on the delinquent company, and in case of continued delay the license may be withdrawn.

ART. 9. Protests effect no postponement of the obligation of payment.

GENERAL CONDITIONS OF CONCESSIONS TO INSURANCE COMPANIES.

1. Provision of by-laws and conditions of insurance which conflict with the obligatory prescriptions of Federal legislation have no validity in Switzerland.

2. The changes provided for in article 4 of the law of June 25, 1885, require the approval of the Federal Council. The approval of the Federal Council is required for every arrangement, by virtue of which the whole or a part of the business of one insurance company is transferred to another or the whole or a part of the business of a company is acquired by a company already licensed.

3. The right of subsequent increase of the required security is reserved. Security shall always be deposited in conformity with the prescriptions for each particular case.

4. The said insurance company shall pay yearly, as Government fee, one-tenth of 1 per cent of the premiums collected in Switzerland during the year. This fee shall be provisionally based on the collection of premiums during the previous year, correction following after close of the accounts of the following year. The fee is collected also for the year in which license is granted.

5. The general manager of the company is required to be registered in the Handelsregister.

6. The domiciles to be elected in compliance with law (Art. 2, 3b and 4), shall be published by the company in the Swiss Journal of Commerce (Handelsamtsblatt), and at the same time communicated to the Federal insurance bureau. If changes take place these proceedings shall be repeated; otherwise they are not binding on the policy holder.

7. The amortization of policies shall be effected at the place designated for that purpose (Art. 2, 4 of the law).

8. Public notices of the company to policy holders shall be inserted in the Swiss Journal of Commerce. The call for the general meeting of mutual insurance companies shall be regarded as such a notice.

9. Sums insured are to be computed in Swiss currency.

10. In all public notices the company shall state, when referring to its capital stock, how much of the same has been paid in.

11. The concession to an insurance company is annulled when the same ceases legally to exist, becomes bankrupt, or loses the right to transact business in the State of its principal domicile.

UNITED KINGDOM.

Judicial decisions limiting the rebate from the income tax to policies issued by companies native to Great Britain, Ireland, and the colonies place a heavy handicap on foreign companies doing business in the United Kingdom. Other than this legal disability foreign companies are not discriminated against. All insurance companies are required to deposit £20,000 before being given a charter, but this is returned as soon as the life assurance fund of the company, accumulated out of premiums, amounts to £40,000. The Government supervision is nominal, insufficient, it appears, to guarantee the solvency of the companies engaged in life insurance.

Consul Rufus Fleming, of Edinburgh, in his report includes the following on the general conditions precedent to opening business and on the working of the income tax:

RIGHT TO TRANSACT BUSINESS.

The chief condition imposed upon a foreign company to obtain the right to transact life insurance in this country is the making of a deposit of £20,000 (\$97,330). No part of the premium receipts of the company are required to be invested in the country. In regard to the amount of unimpaired capital which must be shown by a foreign life insurance company operating here, it is simply a question of solvency, as in the case of a home company. The life assurance companies act of 1870 provides that the court may order the winding up of any company, in accordance with the companies act, 1862, on the application of one or more policy holders or shareholders, upon its being proved to the satisfaction of the court that the company is insolvent, and in determining whether or not the company is insolvent the court shall take into account its contingent or prospective liability under policies and annuity and other existing contracts; but in the case of a proprietary company having an uncalled capital of an amount sufficient, with the future premiums receivable by the company, to make the actual invested assets equal to the amount of the estimated liabilities, the court shall suspend further proceedings on the petition for a reasonable time (in the discretion of the court) to enable the uncalled capital, or a sufficient part thereof, to be called up, and if at the end of the original or any extended time for which the proceedings shall have been suspended such an amount shall not have been realized by means of calls as, with the already invested assets, to be equal to the liabilities, an order shall be made on the petition as if the company had been proved insolvent.

British and foreign companies alike are subject to these acts of Parliament: (a) An act for regulating insurance upon lives, and for prohibiting all such insurances, except in cases where the persons insuring shall have an interest in the life or death of the persons insured, 1774; (b) the policies of assurance act, 1867; (c) the life assurance companies act, 1870; (d) the life assurance companies act, 1871; (e) the life assurance companies act, 1872; (f) the married women's policies of assurance (Scotland) act, 1880; (g) the payment into court act, 1896. A copy of each of these acts is transmitted herewith.^a

TAXES PAID BY INSURANCE COMPANIES.

The taxes paid by insurance companies are the income tax on profits, the usual stamp duties on contracts, etc., and inhabited-house tax. These companies, like all companies, firms, and individuals placing money at interest, practically pay income tax on their interest account. Under the income-tax law the borrower of money is assessed on his income without any deduction for interest on money borrowed, but in paying interest to the lending company he deducts the amount of the income tax on the sum paid. This rests heavily on the older companies, whose interest account is more important than their revenue account.

^a Filed in the Bureau of Manufactures, Department of Commerce and Labor.

ABATEMENT OF INCOME TAX.

An abatement of income tax is allowed in respect to premiums paid for life insurance (except on premiums paid to foreign companies) not exceeding one-sixth of the claimant's income. This discrimination in favor of policy holders in home insurance companies originated in the income-tax act of 1853, which provided (16 and 17 Victoria, chap. 34, par. 54) :

Any person who shall have made insurance on his life or on the life of his wife, or shall have contracted for any deferred annuity on his own life or on the life of his wife in or with any insurance company which shall become registered under any act to be passed in the present session of Parliament for that purpose, and which shall comply with the requirements of such act, and any person who shall under any act of Parliament be liable to the payment of an annual sum or shall have an annual sum deducted from his salary or stipend in order to secure a deferred annuity to his widow or a provision to his children after his death, shall be entitled to deduct the amount of the annual premium paid by him for such insurance or contract, or the annual sum paid by him or deducted from his salary or stipend as aforesaid, from any profits or gains in respect of which he shall be liable to be assessed under either of the schedules (D or E) of this act, or to have any assessment which may be made upon him under either of the said schedules reduced or abated by the deduction of the amount of the said annual premium from the amount of the profits or gains on which such assessment has been made; or if such person shall be assessed to duties under any of the schedules contained in this act and shall have paid such assessment or shall have paid or been charged with any of the said duties by deduction or otherwise, such person, on claim made to the commissioners for special purposes, and on production to them of the receipt for such annual payment, and on proof of the facts to the satisfaction of the said commissioners, shall be entitled to have repaid to him such proportion of the said duties paid by such person as the amount of the said annual premium bears to the whole amount of his profits and gains on which he shall be chargeable under all or any of the schedules of this act: *Provided always*, That no such abatement, allowance, or repayment as aforesaid shall be made in respect of any such annual premium beyond one-sixth part of the whole amount of the profits and gains of such person so chargeable as aforesaid, nor shall any such deduction or abatement entitle any such person to claim total exemption or any relief from duty on the ground of his profits and gains being thereby reduced below one hundred or one hundred and fifty pounds, as the case may be.

By 16 and 17 Victoria, chapter 91, after a recital of the above-mentioned act and a recital that as it might happen that an act for the registration of insurance companies might not be passed in the then session of Parliament, it was expedient that the benefit of the recited provision should for a limited time be extended to persons insuring or contracting with such insurance offices as thereafter mentioned, it was enacted:

SECTION 1. Any persons who shall have made any such insurance, or contracted for any such deferred annuity as in the said provision mentioned, in or with any insurance company existing on the 1st of November, 1844, or in or with any insurance company registered pursuant to the act, 7 and 8 Victoria, chapter 110, for the registration, incorporation, and regulation of joint-stock companies, shall be entitled to all the benefits and advantages which by the said provision are expressed to be given in respect of the like insurance or contract in or with any insurance company which shall become registered under any act to be passed in the present session of Parliament.

By section 2 this act was to continue in force until July 5, 1854. It was subsequently continued, and its provisions, as well as those of the previous act of the same session, are still in force. In the case of *Colquhoun v. Heddon*, 25 Law Reports, Queen's Bench Division, 1890,

it is held that the exemption of life insurance premiums from income tax does not apply to an insurance with a foreign company, even though that company was in existence on November 1, 1844, and has an office in England. By section 9 of the finance act of 1904 (4 Edward VII, chap. 7) it is enacted that—

Section fifty-four of the income tax act, 1853 (under which relief is granted in respect of premiums on life insurance or contracts for deferred annuities), shall apply in relation to life insurances or contracts for deferred annuities in or with any insurance company legally established in any British possession as it applies in relation to life insurance or contracts in or with the insurance companies mentioned in that section.

Commenting on this act, Consul A. K. Moe, of Dublin, says:

In the terms of section 54 of 16 and 17 Victoria, chapter 34, policy holders in life and accident offices who are liable for income tax are entitled to deduct in their returns of income to the Government the premium or premiums paid by them under any policy or policies of assurance on the lives of themselves or their wives to the extent of not more than one-sixth part of their whole income. Such deduction or abatement must be claimed in the usual schedule or return of income furnished by them to the Government assessor. Production of the premium receipts may be called for in order to verify the claim, and these ought, therefore, to be carefully preserved.

The rebate of this income tax has been allowed by law to extend only to British and British colonial companies, and has been a considerable factor in restricting the business of American companies. During a number of years the claim was made by foreign insurance companies that the act (16 and 17 Vic., chap. 34), was inclusive, and that the act of August 20, 1853, supplemented and explained the first act.

The case calling up the construction of these acts of 1853, with regard to their effect on foreign insurance companies, was that of *Colquhoun (surveyor of taxes) v. Heddon*. This was an appeal from the decision of a divisional court upon a case stated by the commissioners of income tax. In 1886 William Frederick Heddon paid to the New York Life Insurance Company the sum of £6 4s. 2d. as one year's premium due in respect of a policy of assurance for the sum of £300. He claimed to be allowed this sum by way of deduction under 16 and 17 Victoria, chapters 34 and 91. The New York Life Insurance Company was incorporated, by special act of the legislature of New York, dated May 21, 1841, as a marine and fire insurance company, and was extended by an act of State April 13, 1843, to life insurance. The company had an office in London. By the income tax act (16 and 17 Vic., c. 34), section 54, provision is made for the deduction of the premiums on life insurance from assessments to income tax, and by 16 and 17 Victoria, chapter 91, section 1, the benefit of this provision is extended to any person who shall have made insurance on his life "in or with any insurance company existing on November 1, 1844, or in or with any insurance company registered pursuant to 7 and 8 Victoria, chapter 110 (the joint stock companies act)." The divisional court held that the provision did not apply to an insurance with a foreign company, even though such company was in existence on November 1, 1844, and therefore they gave judgment for the Crown. Mr. Heddon appealed. The court dismissed the appeal, holding that the words of the act, "insurance companies

existing on the 1st day of November, 1844," unless Parliament had explicitly declared otherwise, applied only to such persons or things as came within the description of the general words and over whom or over which Parliament had jurisdiction. That the words "existing in 1844" referred only to companies constituted according to the laws of the United Kingdom. Lord Justice Fry dissented, with an opinion that a liberal view of construction should be adopted.

ABATEMENT EXTENDED TO COLONIAL COMPANIES.

In July, 1904, as I gather from the Insurance Review, Sir Henry Seymour King, the member for Hull, and the head of the firm of H. S. King & Co., who are the London agents of the Australian Mutual Provident Society, moved the addition, in Parliament, of the following clause:

Section 54 of the income tax act, 1853 (under which relief is granted in respect of premiums on life insurances or contracts for deferred annuities), shall apply in relation to life insurances or contracts for deferred annuities effected in or with any insurance company legally established in any British possession as it applies in relation to life insurances or contracts in or with the insurance companies mentioned in that section.

He said that the clause was intended to extend to persons insuring their lives in Indian and colonial offices, the exemption of their policy, in respect of which they were liable to pay income tax up to one-third of their income. This privilege was enjoyed at the present moment, under section 54 of the income tax act, 1853, by persons insuring in English offices. As far as he could see, the only reason why it was not extended at the same time to Indian and Colonial offices was that there were no colonial offices then in England. In India, Australia, and in New Zealand the exemption was in force, in these three British possessions no difference whatever being made between an English company and a local company. The discrimination in England had given rise to considerable dissatisfaction by income tax payers returning from the colonies to England. The clause was agreed to without a division by the committee of the House of Commons.

AMERICAN COMPANIES GRANT OWN REBATE.

Consul J. N. McCunn, of Dunfermline, says:

It appears from the following, which I quote from a letter received from a gentleman in this consular district, that one American company at least is endeavoring to satisfy its British policy holders on the income-tax question:

I have policies with the ———, of ———, United States of America, and also with two British companies. When I give in my income-tax return annually I deduct the premiums on the British policies and the amount is allowed, and I only pay tax on the balance. But the premiums on the ———, of ——— (the American policies), are not allowed. To remedy this disadvantage this company recently decided to repay income tax to British policy holders. But I have to send my income-tax receipt to the office of the company in London, thereby disclosing to them my business income, and have also to fill up a certificate that I have paid the tax, after which the company send me a check for the amount of the tax on the premiums. All this is very troublesome by comparison.

Consul Fleming says:

Two American companies represented in Edinburgh grant to policy

holders "income-tax abatement," the receipt for which is in these terms:

Received from — the sum of —, being for income-tax abatement under policy No. —, premium —, due —, at —, in the pound sterling; and I hereby declare that I have paid my income tax and that the inland revenue authorities have refused to allow any rebate on premiums paid to the above company for life assurance. I further declare that the amount I pay as premiums for life assurance does not exceed one-sixth of my income.

INSURANCE REGULATIONS.

The following information relative to the regulation of insurance companies formed a portion of the reports from Consul Alfred K. Moe, of Dublin:

The supervision and regulation of insurance companies is provided for by Parliamentary enactments, the chief of which are 33 and 34 Victoria, chapter 61, 9th August, 1870. Section 5 provides that every company shall, at the expiration of each financial year of such company, prepare a statement of its revenue account for such year, and of its balance sheet at the close of such year; section 7 provides that every company shall, once in every five years if established after the passing of this act, and once every ten years if established before the passing of this act, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or by-laws, cause an investigation to be made into its financial condition by an actuary, and shall cause an abstract of the report of such actuary to be made in the forms prescribed; section 9 provides that the board of trade, upon the applications of or with the consent of a company, may alter the forms contained in the schedules to this act, for the purpose of adapting them to the circumstances of such company, or of better carrying into effect the objects of this act; section 24 provides that the board of trade shall lay annually before the Parliament the statements and abstracts of reports deposited with them under this act during the preceding year.

In a statement received from a prominent insurance agent in Ireland I quote as follows:

So far as I can ascertain there is no supervision of life companies in Great Britain and Ireland as such is understood in America. The board of trade publishes a prescribed form of returns from British companies, but it is very meager. So far as enabling the public to judge the actual condition of a company it may just as well be abolished. It prints what is sent to it.

The question of Government regulation has recently been much discussed in the public press, in view of the American insurance controversies, which have been followed with great interest in this country. In the issue of the Irish Independent (Dublin) for March 30, 1905, prominence is given to the communication of a writer who submits the following:

As the father of a family I am deeply interested in all that bears upon the subject of insurance. We are all indebted to you for throwing a flood of light upon the subject of the management of insurance companies. I am prepared to argue the following points:

(1) That there ought to be governmental inspection by auditors appointed by the British Government of all insurance, investment companies, and banks transacting business in the British Isles and colonies.

(2) That there should be an insurance department under the British Govern-

ment, whose duty it would be to safeguard and protect the interests of policy holders.

(3) That in the case of all British mutual offices (that is, companies based upon the mutual principle—no shareholders) the policy holders ought to have a substantial representation on the board of governors.

(4) That in the case of proprietary offices policy holders ought also to be represented on the board of directors.

(5) That the ——— party ought to press for the passing of a short bill before the general election, as many Irish families are deeply interested in British companies which are now in a state of transition.

I have noticed with amazement the growth of companies based upon lines which no government having the protection of its people at heart ought to sanction, and the history—the disastrous history—of the past thirty years, in which millions have been lost by the public, is the sufficient proof that British law as at present constituted affords only the very flimsiest protection to investors or policy holders. It was recently stated by the Statist, a British journal of the highest repute, that “There are in existence in Britain £420,000,000 worth of life assurance policies and no efficient legislation.”

This is truly startling. Mr. William Sutton, M. A., ex-president of the Institute of Actuaries, voicing the opinion of that learned British institution, has stated:

“Any number of excellent authorities could be brought in evidence as to the imperfections of existing requirements (on British legislative insurance protection; the conclusion I have come to is that, quoting with suitable alteration a well-known phrase, ‘Something is wanting in the State of Denmark.’” * * *

I hope that, without prejudice to any company or any institution, this matter will be thoroughly sifted, and that your readers will keep their minds free and open until the discussion has ended in the passing of an act of Parliament creating a British insurance department for the investigation of all matters appertaining to the solvency of insurance companies, the terms of their contracts, and the protection of the policy holders.

Another news item from the same newspaper follows:

In a printed question Mr. Field last week asked the secretary to the board of trade whether, in view of the fact that insurance companies are organizations mainly dealing with trust funds, the Government will consider the advisability of introducing legislation to enable them to exercise scrutiny and supervision respecting their operations, and also the conditions upon which life policies are issued and forfeitures enforced of premiums paid. Mr. Bonar Law has replied that the board of trade have no present intention of introducing amending legislation to the life insurance companies act of 1870.

COMMENTS ON BRITISH INSURANCE LAWS.

The following commentaries on life insurance laws are abstracted by Consul H. W. Metcalf, of Newcastle-on-Tyne, from James Biggs Porter's “The Laws of Insurance.”

The domicile of an insurance company may be of great importance to those who deal with it, for it is common for companies constituted within and under the laws of one jurisdiction to carry on business in another. Thus Scotch companies do a large business in England, and English companies appear in suits before the courts of the United States and in every colony in the Empire, and the colonial companies often trade in other colonies; and usually, as a check on their agents, such companies refuse to allow any agents other than directors to grant policies, so they have also much, if not most, of their assets in some other jurisdiction.

The domicile of an insurance company is where its chief registered office is situate. No special terms are in this country laid upon foreign insurance companies which are not also laid on English companies. Existing foreign companies need not register under the companies act, whether established before or after 1862, nor must they be incorporated according to the laws of their own country. Companies formed outside the United Kingdom may trade irrespectively of any convention. They can not register under the companies act, 1862, without dissolution and re-formation. So their coming to trade in England will not alter the liability of members of the company in any way.

By virtue of special conventions, French, German, Belgian, or Italian insurance companies, legally constituted under the laws of their respective countries, may freely exercise all their rights under such constitution in this country, including the right of appearing before the courts as plaintiffs or defendants, so far as such constitution complies with the laws and customs of this country—i. e., that they are found to comply with the conditions prescribed by the laws of this country.

It does not matter whether the companies were formed before or after the making of the convention; but almost the only change effected by these conventions, as will be seen from the cases already cited, has been to admit English companies in the countries named, the foreign companies having already been admitted here.

American reports teem with cases of insurance companies trading outside the State in which they are associated for trading purposes; but such cases, while in many respects they will illustrate the rules of English law on the subject, go to a great extent on special statutes empowering policy holders to sue in the State of their domicile irrespective of the domicile of their insurers.

It has been held in the United States that where a life insurance company of one State does business in another State without doing those things which the law of the State requires to be done by a foreign insurance company to qualify it to do business therein, the company will incur the prescribed penalties, but its policies will be binding and may be enforced by the holder in the same manner as if the company had been duly qualified.

As regards the law applicable to a contract with a foreign country, Bowen, L. J., said:

"What is to be the law by which the contract or any part of it is to be governed or applied must be a matter of construction of the contract itself, as read by the light of the subject-matter and of the surrounding circumstances. Certain presumptions or rules in this respect have been laid down by juridical writers of different countries and accepted by the courts, based upon common sense, upon business convenience, and the comity of nations; but these are only presumptions or *prima facie* rules that are capable of being displaced wherever the clear intention of the parties can be gathered from the document itself and from the nature of the transaction. The broad rule is that the law of the country where the contract is made presumably governs the nature, the obligation, and the interpretation of it, unless the contrary appears to be the express intention of the parties.

"When a suit is brought on a policy in a State other than that where the contract is made or to be performed, the *lex fori* governs the remedies for enforcing the contract, but not its construction or the legal rights arising under it.

"A life policy, applied for and delivered in Washington, but under which the premiums and insurance, when due, are to be paid in New York, where proof of death is also to be made, is governed by the law of New York."

Where the contract is foreign, by the test given above, it will be, unless otherwise provided, governed by the law of the foreign country in which it is made; but this will not wholly oust the jurisdiction of the courts of the assured's domicile, and, if the insurers have an office within that domicile for the receipt of premiums service on their agent there will, it seems, be permissible. Where an assignment was made abroad of an English life policy, and the assignor and assignee were domiciled abroad, the validity of the assignment was determined by the law of the place where the assignment was made.

When a policy is granted by a foreign company carrying on business within the realm the contract will be held to be made at the head office abroad of such company if the consent to issue it must be and is there given, and it may be sued on there. Consequently, where a person with English domicile takes out a policy from such a company it would seem that payment of the amount thereof under judgment in the domestic forum of the assured would be a bar to any suit for the recovery of the amount of the policy in the domicile of the insured.

Where the policy is foreign, and no provisions are made therein as to the place of payment, etc., demand must be made at the head office abroad before the company can be considered in default, since the *locus contractus* is *locus solutionis* unless expressly otherwise provided. But in the case of insolvency the creditor on a policy would be entitled to rank in his own forum against any funds deposited within its jurisdiction, and generally having got judgment on his policy here or abroad, in accordance with the law governing it, would be entitled to rank as a secured or unsecured creditor (according to the terms of his policy) on the assets of the company here.

If the assured wants a contract with a foreign company to be governed by the law of his own country, he should have a provision to that effect inserted in the policy, which will be effectual to oust the *lex loci contractus*. If he thinks the foreign law more favorable to him, he can contract accordingly.

In dealing with foreign companies it is necessary, in order to avoid such an inconvenience, to see that the policy contains a provision that payment on it shall be made in the domicile of the assured, since in a foreign contract the *locus solutionis* is foreign, too, unless otherwise stipulated.

Section 56 of the Scottish widows' fund act contains a provision that assignments and discharge of policies of the society executed outside the United Kingdom shall be valid and effectual if made and executed according to the usual mode of making and executing such documents in the United Kingdom or in the place where the same shall have been made and executed.

The statutory requirement that every life insurance company should deposit £20,000 (\$97,330) with the accountant-general applies equally to all companies, British or foreign, but as there is no provision insisting that companies not domiciled within the jurisdiction should keep the fund deposited after they have satisfied the test by the act provided, the assured has no guaranty that a fund will remain in this country to satisfy his claims. In the case of large foreign companies it seems to be the practice to lodge assets with trustees within this country to answer claims there arising. This procedure provides funds upon which judgment may be executed within the domicile of the assured, or on which he may rank as a creditor, but does not obviate the necessity of the provisions already mentioned as to the law which is to govern the construction of the contract. It may, however, be observed that insurance law varies little throughout those countries where insurance is practiced.

In Scotland jurisdiction on a foreign policy can be with certainty created if doubt arises by arrestment of funds of the foreign insurer within the jurisdiction. An English company dealing in Scotland by an agent not allowed to do more than give interim receipts must, it seems, be sued in England. So also when the company was English and a conditional policy was granted in Australia; and in another case suit was brought in England on a policy granted by an English company on property in Minnesota. If the insurer's agents in the country of the assured have power to effect a complete contract there without reference for consent to the foreign head office, the contract will not be valid where made, even though forbidden by a monopoly within the domestic forum of the insurers. Where the company and the contract are both foreign, judgment may be obtained in the *locus contractus* and then proceeded on in the English courts, and a winding-up order may be obtained against a registered company, even though the persons, property, management, and directorship be abroad, provided that it is a company which at the outset contemplates some description of business in this country, even although in substance all its operations may be abroad.

It has been laid down by the Irish courts that a company which holds an office in a foreign country for the receipt of premiums, where the entire contract is made and where the office is still open for future contracts, does by such contract enter into an engagement that for all purposes of suit their office shall be deemed their dwelling house. Formal completion of the contract at the head office will not make any difference, as the holding open office is an undertaking that the office is to be deemed their residence, not only for receipt of premiums, but also for enforcing the contract. But, as before mentioned, an action has been brought in England (through a broker), in Minnesota, and in New York State on a policy there granted on property in Canada.

Substituted service has been allowed on an agent in Dublin of an English company who had received some of the premiums for them, the company refusing to appear in Ireland and requiring suit in England; but under rules of court a policy effected in England with a Scotch or Irish company can not be sued on here, even if the contract is made at the company's office here, for there is no power to allow service of a writ out of the jurisdiction in actions for breach of contract under Ord. xi. r. 8, where the defendant is domiciled in Scotland or Ireland.

When a company with head office in England was sued in Ireland and served in England, in accordance with the Irish practice, and failed to appear, the validity of a judgment by default in Ireland was held not to be affected by proof in English courts that the service was invalid. The court will allow proceeding on the foreign judgment under Ord. xiv. of the Rules of the Supreme Court, 1883.

Judgments obtained by or against insurance companies in one part of the United Kingdom are enforceable in any other part of the Kingdom in conformity with the provisions of the judgment extensions act, 1880.

INSURANCE RATES.

Consul Rufus Fleming, Edinburgh, sends the following on rates of insurance required by British companies:

It is the practice of Scottish and English companies to charge higher rates of premium to residents in tropical and semitropical countries. If the resident were born in the particular country of European or North American parents he might be regarded as an acclimatized life and the extra premium (if any were charged) would probably be modified accordingly. As regards rates, these vary considerably, and are dependent on the particular climate risk. For example, an extra premium of 1 per cent is often required for residence in India, while for the west coast of Africa most British offices refuse to quote, or an extra charge of, say, 5 per cent (on the sum insured) might be made. It is now common to limit the total amount of the extra requirable to a percentage of the sum insured; generally not exceeding 10 per cent. One of the leading Scottish companies, having branches in many countries, quotes the rates given below on whole life policies, with participation in profits. Home rates, as well as the rates in various parts of the world, are here presented for the purpose of comparison:

Annual payments for an insurance of £100 (\$486.65) to be paid at death.

Country.	Age.				
	20 years.	30 years.	40 years.	50 years.	60 years.
Home rates.....	\$9.22	\$11.90	\$15.05	\$21.66	\$34.31
Uruguay.....	10.28	13.20	17.54	24.90	39.38
Japan.....	9.33	12.00	15.94	22.63	35.79
India.....	12.77	15.91	19.97	27.37	-----
Straits Settlements.....	14.48	17.94	22.65	31.41	-----
West Indies.....	12.19	16.14	21.74	28.97	-----
Egypt.....	9.33	12.00	15.94	22.63	35.79
North China.....	10.78	13.46	17.40	24.82	-----
South China.....	12.25	14.92	18.86	27.01	-----
South Africa.....	9.22	11.90	15.05	21.66	34.31
Argentina.....	10.28	13.20	17.54	24.90	39.38
Ceylon.....	12.77	15.91	19.97	27.37	-----
<i>For \$1,000.</i>					
Cuba.....	25.70	34.00	45.80	61.10	-----
Manila.....	29.80	36.90	46.60	64.10	-----

ENGLAND.

LIFE INSURANCE IN ENGLISH CITIES.

Leeds.—For the city of Leeds and the surrounding district, Consul Lewis Dexter reports as follows:

Four American companies are doing business in this district. Foreign companies, other than the American, operating here are the following: Citizen Life, Colonial Mutual Life, Mutual Life, and National Mutual Life, Australasian; Sun Life, Canadian. Ninety-

one domestic companies have offices in Leeds. Englishmen have more confidence in British and colonial than in American companies.

Liverpool.—Covering life insurance in the Liverpool district, Consul James Boyle writes:

There are four American life insurance companies operating in Liverpool. I have been unable to learn of any foreign insurance companies, other than American, operating here, but there are several British colonial companies, as follows: Canada Life and Sun Life, Canada; Citizens' Life, Colonial Mutual Life, and National Mutual Life, Australasia. One hundred and fifty-four domestic insurance companies have offices here.

My opinion is that Englishmen have more confidence in British and colonial insurance companies than in American companies. Of recent years, however, there has been a noticeable increase of confidence in American companies, although a pending litigation in regard to the internal affairs of a certain large American company has greatly injured the status of American companies generally in this country.

There are no statistics available from which could be learned the extent of the business transacted in this country by American insurance companies. Efforts have been made to ascertain the extent of the business of American insurance companies by the number of policies and the amount of insurance in force from the various companies, but without success.

In Liverpool higher rates of insurance are charged in respect of tropical and semitropical countries. The following are specimen rates charged by one of the American life insurance companies for ordinary life participating insurance per £1,000 (\$4,866.50):

Specimen rates per £1,000 (\$4,866.50).

Age.	Tropical.	Semi-tropical.
20	\$155.08	\$129.80
30	172.68	145.62
40	225.10	192.87
50	319.24	277.55

For European rates, see pamphlet compiled by Ralph Cook Watson and printed by the Walter Scott Publishing Company, Paternoster square, London.

Nottingham.—Consul Frank W. Mahin reports for the Nottingham district as follows:

Three American life insurance companies are operating in this consular district. The only other foreign companies are colonial—the Sun Life, Canada; Canada Life, National Mutual of Australasia, Mutual of Australasia, Manufacturers' Life of Toronto, Canada. The feeling toward American companies is fairly good, though some prejudice exists, which is fostered, if not created, by zealous representatives of domestic companies, who use every means to prevent business going to their American rivals. This prejudice is, however, probably counterbalanced by the more favorable propositions of American companies. There is no discrimination in the laws or by the people against American companies, though the national inland

revenue authorities will not allow premiums paid to American insurance companies to be deducted from the income of the insured for income-tax purposes. One American company at least pays the tax on the premiums so as to recompense the insured.

It is impossible to state the extent of the business done by the three American insurance companies operating in this district, such information not being made public by all the companies.

Plymouth.—Consul J. G. Stephens reports as follows for the Plymouth district:

Five American and six other foreign life insurance companies are operating in this district. The American insurance companies are just as popular with the people as other foreign companies, but not quite so popular as the British companies. Ten years ago American companies experienced very strong prejudice. This was brought about largely by the representations of the agents of the domestic companies, who still use every effort to injure the operation of any but English companies. The English solicitors and bankers also use their influence with clients toward home insurance companies. The managers of many of the leading banks in this city represent one or more English companies, and when a client presents a policy at the bank and asks for a loan on the document it is frequently thrown back at him with the observation that foreign insurance policies do not command even consideration at their hands. This is, of course, done to benefit the manager who is representing some British company. But the American companies are steadily and surely gaining ground. The prejudice is melting away and nothing can now stem the triumph of American insurance in this district.

IRELAND.

CONDITIONS IN IRISH CITIES.

Belfast.—Consul S. S. Knabenshue transmits the following information covering insurance companies in the Belfast district:

Four American and six other foreign (Australian and Canadian) life insurance companies operate in the Belfast district, as well as the principal life insurance companies of the United Kingdom.

The feeling in the Belfast district toward American life insurance companies is distinctly favorable and friendly, and they obtain a fair share of support. American offices are quite as popular as, if not even more so than, other foreign offices; but it would be unreasonable to expect that they should be as popular as the domestic companies. There are no local insurance laws or regulations whatever; hence no discrimination against American companies.

Dublin.—Consul Alfred K. Moe reports as follows concerning life insurance companies in the Dublin district:

There are four American insurance companies transacting business in the Dublin district. Apart from British colonial companies, there are no other foreign insurance companies engaged in business here. Two Irish companies are operating in this district—the Patriotic and the National. The latter is being merged into a British company, the

Yorkshire. There are ten Scotch companies and about seventy British companies all competing for insurance.

While the American companies are doing a large share of the insurance business in this district, there undoubtedly exists a strong prejudice against them, both on the part of the people and on that of the other insurance concerns. The latter take pains to point out all the defects of American companies, as they understand them, but carefully avoid assailing each other. It is said that resort is had to the publication of leaflets and pamphlets misrepresenting the American companies and their methods of transacting business. The question of the management of one of the large New York companies has brought troublesome times to the American companies here. The Irish press has lost no opportunity in magnifying and distorting the actual condition of affairs in New York relative to the insurance company. Not only has this lessened the business of the American companies, but it has also materially assisted the domestic companies in gaining insurance. I am told, however, that all those who have done business with the big New York companies express themselves as entirely satisfied with the manner of their treatment, and beyond a difference of opinion in trivial matters, such as administration of company affairs, are wholly in accord with the management.

SCOTLAND.

LIFE INSURANCE IN SCOTLAND.

Dunfermline.—Consul J. N. McCann contributes the following information covering life insurance in his district :

Life insurance in this district is largely written by British companies, but a good business is done by American and Canadian companies, the only foreign insurance companies operating here. As far as I can learn there are three American companies operating in this section of Scotland. Agents for these companies canvass the district and aim chiefly at securing large policies from manufacturers and other business men of means, but in later years some smaller policies have been written among shopkeepers, dealers, and salaried men. Occasional visits are made by inspectors or agents from London and other commercial centers, and sometimes an agent takes a temporary residence in the district, devoting his time exclusively to the company he represents. This applies only to agents of American companies.

There are no permanent local representatives here devoting their time exclusively to the interests of any single company, home or foreign. Nearly all the life insurance agents are employed or interested in other lines of business, insurance being merely a side line. Many of them are prepared to write policies for a number of life companies, and some, in addition, represent fire and accident insurance companies. These agencies are usually held by lawyers, bankers, and other influential men of good business and social positions. National prejudice, I believe, favors British companies to a great extent, especially among the class taking out small policies. I do not know of any discrimination in the local laws against American companies nor on the part of the people.

Dundee.—Consul J. C. Higgins reports as follows for the Dundee district:

There are three or four American life insurance companies operating in this district. With these exceptions the Colonial Mutual (Australasian) is the only company outside of the United Kingdom represented. There are over 120 domestic companies in this city carrying on insurance business in all its various branches. The principal American companies operating here are all held in the highest estimation. In former years they did a larger business than either home or other foreign offices of similar repute, for the reason that they offered better terms; but of late years these terms have more nearly approximated those of the British companies, owing, it is said, to the falling off in the rate of interest obtainable from the investment of funds in the United States.

Edinburgh.—Consul Fleming reports as follows for the Edinburgh district:

Three American life insurance companies are operating in this district. Other foreign companies represented here are the Colonial Mutual Life Assurance Society (Limited), Australia; and the Canada Life Assurance Company, and Sun Life Assurance Company, Canadian. On the part of the people in general the feeling toward American companies represented in this district is quite as friendly as is their attitude toward other foreign insurance companies, but they naturally have a preference for some of the older domestic insurance societies. As to the extent of the business done in this part of Scotland by the American companies no statement can be obtained at the Edinburgh offices. The returns for Scotland or for the United Kingdom are not given in any Government publication. It is my information that the companies have a large number of policy holders in Scotland of the high-premium class; among professional men, especially, their endowment policies are in strong favor.

NORTH AMERICA.

DOMINION OF CANADA.

Insurance companies in Canada operate under general and province charters, the Dominion charter being necessary only when business is to be done in more than one province. Under the general charter a deposit of \$50,000 in approved securities must be made and the liabilities in Canada must never amount to more than the assets actually invested or deposited in the Dominion. Companies doing a life insurance business may not carry on in connection with it any other line of insurance or other business, and any company doing a mixed business outside the Dominion in order to carry on life insurance in Canada must have at least \$100,000 paid up, unimpaired capital, and a surplus fund of at least 20 per cent of the paid-up capital.

REQUIREMENTS OF INSURANCE LAWS.

Consul Henry S. Culver, of London, Ontario, reports:

In Canada there is what is termed Dominion insurance and provincial insurance. If a company is licensed by and under the laws of the Dominion it has the right to transact business throughout Canada. If licensed under a provincial statute its business must be limited to the province where the license is obtained. In the Dominion insurance constitutes a bureau in the department of finance and is under the direct supervision of the minister of finance. In the province the insurance act may be administered by some member of the executive council, usually the attorney-general of the province. In the Dominion, and also in the provinces, there is a superintendent of insurance (although in the province he is styled inspector), whose duty it is to inspect the business of each company and report annually to the minister.

The deposit of security and obtaining of a license are the only conditions imposed in order to obtain the right to transact insurance business in Canada. In the case of companies other than life, fire, or inland marine insurance the treasury board is authorized to determine what deposit shall be required to be made with the minister. The insurance act of Canada does not apply to companies that transact only ocean marine insurance.

DEPOSIT AND OTHER ASSETS.

Consul-General John G. Foster, of Ottawa, Ontario, says:

Every company engaging in the business of life, fire, or inland marine insurance in more than one province of Canada must first

obtain a license from the Canadian minister of finance to carry on such business. A license will not be granted to a company to carry on the business of life insurance in combination with any other branch of insurance. Before the issue of such license every company carrying on the business of life insurance, and every Canadian company carrying on the business of fire or of inland marine insurance, or of both combined, must deposit with the minister, in approved securities, the sum of \$50,000.

If it appears from the annual statements or from an examination of the affairs and condition of any company carrying on the business of life insurance that its liabilities to policy holders in Canada, including matured claims, and the full reserve or reinsurance value for outstanding policies, after deducting any claim the company has against such policies, exceed its assets in Canada, including the deposit in the hands of the minister, the company shall be called upon by the minister to make good the deficiency; and on its failure so to do within sixty days, he shall withdraw its license. The assets in Canada of companies incorporated outside of Canada shall be taken to consist of the deposits which have been made with the minister and of such assets as have been vested in trust for such companies in two or more persons resident in Canada, appointed by the company and approved by the minister.

Premium receipts are not required to be invested in Canada. Companies incorporated outside the Dominion to carry on classes or branches of insurance greater in number or variety than those for which a Canadian license could be granted, in order to receive a license in Canada, must have a paid-up capital, in the case of a company authorized to transact among other classes of business the business of fire insurance, of at least \$300,000, and in the case of any other company of at least \$100,000, wholly unimpaired, and in addition to such paid-up capital a surplus fund equal to at least 20 per cent of such paid-up capital.

SUPERVISION AND TAXATION.

The superintendent of insurance is required to visit the head office of each company in Canada at least once in every year to examine its condition and report to the minister of finance all matters requiring the minister's attention and decision. He is also required, at least once in every five years, to value all the policies of life insurance of Canadian companies and the Canadian policies of life insurance of companies other than Canadian companies licensed to transact business in Canada. A detailed annual report of the condition of all licensed insurance companies is published by the government and certain insurance returns are published in the *Canada Gazette* quarterly.

Consul E. Haldeman Dennison, of Rimouski, writes:

The federal government taxes the premium income of all companies which are licensed, "pro rata," to provide the expense of the insurance department, amounting to a mere trifle for each company. But although companies complying with the federal requirements receive a license to transact business throughout the Dominion of Canada, yet provincial governments have the power to prevent that license

taking effect in any province, unless special provincial requirements are complied with, and as a matter of fact "Summum jus sæpe summa injuria est." The Province of Quebec taxes the insurance companies very heavily (1 per cent on life-insurance premiums and two-thirds per cent on fire insurance) for the privilege of doing business in Quebec, provided that in no case shall the tax be less than \$250. Beyond this Quebec City charges \$500 annually upon every fire insurance company transacting business in that city, while Montreal makes them pay 1 per cent on their annual city premiums, not to exceed \$1,000, and \$200 a year upon every life insurance company. Small towns often exact a municipal tax of from \$10 to \$25. The tax in the municipality of Rimouski is \$50.

FOREIGN AND HOME COMPANIES IN CANADA.

Consul-General Foster says:

The amount of life insurance in force June 30, 1904, with companies licensed by the Dominion government is shown in the following table:

Insurance in force in Canada June 30, 1904.

Companies.	Number of policies.	Amount.	Percentage.
Canadian	323,628	\$364,640,166	62
British	21,722	42,601,715	7
American	306,541	180,631,886	31
Total	656,891	587,873,767	-----

The deposits for the protection of policy holders held by the minister of finance on June 30, 1904, amounted to \$35,135,674. In addition to this there was deposited with Canadian trustees in conformity with the insurance act \$18,049,759, making a total of \$53,185,433 for the protection of Canadian policy holders. The distribution of this sum, held as above mentioned among the different classes of insurance, was as follows: Fire and inland marine, \$8,723,950; life, \$42,997,581; accident, guaranty, plate glass, casualty, \$1,463,902.

Commercial Agent Dennison, of Rimouski, Quebec, writes as follows:

The total Canadian life-insurance premiums for the year 1904 were \$19,969,324, an increase of \$1,729,050. Canadian companies had \$11,959,100, a gain of \$1,076,450; British, \$1,473,514, an increase of \$38,197, and American \$6,536,710, an increase \$614,413. There were 81,053 new policies taken out in Canadian companies, 1,635 in British, and 95,356 in American, the American showing a gain of 967 new policies, as compared with only 71 British and 128 Canadian. There was in force at the end of 1904 \$587,873,767, an amount exceeding that of 1903 by \$39,430,767. Canadian companies had \$364,640,166, a gain of \$29,001,226; British, \$42,601,715, a gain of \$474,355, and American \$180,631,886, a gain of \$9,955,086. The claims paid, including matured endowments, aggregated \$8,518,839, made up as follows: Canadian, \$4,145,080; American, \$3,232,715; British, \$1,141,044.

GROWTH OF INSURANCE.

Consul Henry S. Culver, of London, Ontario, transmits the following tabular statement of life insurance in Canada during the years 1869-1903:

Life insurance in force in Canada, 1869 to 1903.

Year.	Companies.			Total.
	Canadian.	British.	American.	
1869	\$5,476,358	\$16,318,475	\$13,885,949	\$35,680,782
1870	6,404,437	17,301,122	18,898,353	42,604,712
1871	8,711,111	18,405,325	18,709,499	45,825,935
1872	13,070,811	19,258,166	34,905,707	67,234,684
1873	15,777,197	18,962,191	42,861,508	77,500,896
1874	19,634,319	19,963,467	46,218,139	85,716,325
1875	21,957,396	19,455,107	43,596,461	85,009,964
1876	24,649,284	18,873,173	40,728,461	84,250,918
1877	26,870,224	19,349,304	39,468,475	85,687,903
1878	28,656,556	20,078,533	36,016,848	84,751,937
1879	33,246,543	19,410,329	33,616,330	86,273,702
1880	37,838,518	19,789,463	33,643,745	91,272,126
1881	46,041,591	20,993,092	36,266,249	103,290,932
1882	53,855,051	22,329,368	38,857,629	115,042,048
1883	59,213,609	23,511,712	41,471,554	124,196,875
1884	66,519,958	24,317,172	44,616,596	135,453,726
1885	74,591,139	25,939,272	49,440,736	149,969,146
1886	88,181,859	27,225,007	55,908,230	171,315,096
1887	101,796,754	28,163,329	61,734,187	191,694,270
1888	114,634,279	30,003,210	67,724,064	211,761,553
1889	125,125,692	30,488,618	76,348,392	231,963,702
1890	135,218,900	31,613,730	81,599,847	248,424,567
1891	143,368,817	32,407,337	85,698,475	261,475,229
1892	154,709,077	33,692,706	90,708,482	279,110,265
1893	167,475,872	33,543,884	94,602,066	295,622,722
1894	177,511,846	33,911,885	96,737,705	308,161,436
1895	188,326,037	34,341,172	96,590,352	319,257,561
1896	195,309,042	34,837,448	97,690,009	327,800,499
1897	208,655,459	35,263,134	100,063,684	344,012,277
1898	226,209,636	36,806,195	105,708,154	368,523,985
1899	252,201,518	38,065,948	113,943,309	404,170,673
1900	267,151,086	39,485,344	124,433,416	431,069,846
1901	284,684,621	40,210,186	138,868,227	463,763,034
1902	308,202,596	41,556,245	159,053,464	508,812,305
1903	335,625,096	42,134,304	170,676,800	548,436,200

NAMES OF COMPANIES.

Consul-General John G. Foster, of Ottawa, Ontario, says:

Sixteen American life insurance companies are operating in Canada, although of this number four have ceased to do new business. There are operating in Canada fourteen British life insurance companies, five of which have ceased to do new business. These British companies are as follows: Commercial Union, Edinburgh Life, Life Association of Scotland, Liverpool and London and Globe, London and Lancashire Life, London Assurance, North British, Norwich Union Life, Pelican, and British Empire, Royal, Scottish Amicable, Scottish Provident, Standard, and Star.

All the other life insurance companies operating in Canada have Canadian charters. These number 21 and are as follows: Canada Life, Confederation, Continental Life, Crown Life, Dominion Life, Excelsior, Federal, Great West, Home Life, Imperial Life, London Life, Manufacturers, Mutual Life of Canada, National Life of Canada, North American, Northern Life, Royal Life, Sovereign Life, Subsidiary High Court of the Ancient Order of Foresters, Sun Life, and Union Life.

STANDING OF AMERICAN COMPANIES.

Commercial Agent Dennison, of Rimouski, Quebec, reports:

While American life insurance companies do a good business here, the field has not been so well canvassed by them as by the domestic companies, who do about twice as much business as the American. The American companies are just as favorably known as the Canadian, but the latter by going after the business more energetically have had the greater success.

Consul Culver, of London, Ontario, reports:

There is a distinction between foreign and domestic companies, but the legislation applies to all foreign companies alike. No distinction is made as to any particular country, and judging from the volume of business transacted by American companies here I believe they are as popular as any, except with a limited number of people who are prejudiced against anything American. On the whole, though, they inspire the confidence of the public and, I think, receive a fair share of the business.

Consul-General Foster says:

The feeling toward American companies is favorable, their methods of doing business and form of policies are popular in Canada, but considerable stress is laid at the present time upon patronizing Canadian enterprises, and undoubtedly this has some influence upon the insurance business. There is no discrimination against American companies except that larger deposits are required of all fire insurance companies than of domestic companies.

INSURANCE IN BRITISH COLUMBIA.

The following report by Consul Abraham E. Smith, of Victoria, covers the conditions under which insurance is conducted in British Columbia:

Under the law passed by the legislative assembly of British Columbia April 7, 1905, all classes of insurance companies doing business in the provinces are required to take out a license before July 1, 1905, for which they must pay the sum of \$250. Any insurance company failing to register on or before July 1, as required by the act, is subject to a penalty of \$250 for each and every day during which it subsequently carries on business. This penalty attaches not only to the company, but to promoters, organizers, office bearers, managers, directors, collectors, agents, brokers, employees, or any persons whatsoever who undertake any contract of insurance on behalf of a company which has not registered according to the act.

FOREIGN AND DOMESTIC COMPANIES.

There are eight American life insurance companies doing business in British Columbia, and two other foreign companies, viz, the London and Lancashire Life Association, of London, and the Standard Life Assurance Company, of Edinburgh, Scotland. The following domestic life insurance companies are operating in this Province: Canada Life Assurance Company; Confederation Life Association; Continental Life Insurance Company; Dominion Life Assurance

Company; Federal Life Assurance Company of Canada; Great West Life Assurance Company; Imperial Life Assurance Company of Canada; London Life Insurance Company; Manufacturers' Life Insurance Company; Metropolitan Life Insurance Company; Mutual Life Assurance Company of Canada; National Life Assurance Company of Canada; North American Life Assurance Company of Canada; Royal Victoria Life Insurance Company; Sun Life Assurance Company of Canada; Sovereign Life Insurance Company of Canada.

The American companies operating in this province are fairly popular and secure a large share of the business. There is no discrimination in the laws of the Province against American companies. Several energetic Canadians are agents for American companies. In 1904 the following premiums were paid on life insurance in British Columbia, viz: To Canadian companies, \$563,769; to American companies, \$412,614; to other foreign companies, \$58,256. On these premiums the provincial government collected a tax of 1 per cent, as follows: From Canadian companies, \$5,638; American companies, \$4,126; other foreign companies, \$583; total, \$10,347.

In British Columbia all insurance companies are required to pay an equally graded tax on income collected in the Province, a deduction being allowed for premium of life insurance on the taxpayer, if paid, not to exceed one-sixth his annual income. The laws of British Columbia regulating life insurance prohibit insurance upon lives except in cases where the person insuring shall have an interest in the life or death of the person insured.

MANITOBA PREFERS HOME COMPANIES.

Consul S. H. Shank, of Winnipeg, speaking of insurance conditions in Manitoba, says:

There is no discrimination in the laws against American insurance companies, but there is some local prejudice against them. Some of them have done good business here, but in face of great difficulties. One obstacle which might be overcome is the fact that none of the American companies has a loan agent here, and the people object to paying their money to a company which takes it all away from the country. The great need of this country is capital. The domestic companies invest their money here, and it assists them materially in securing business.

There is no supervision of insurance companies by the government of Manitoba, and the only report required is an annual report, showing the amount of insurance in force, for the purpose of determining the amount of taxes. No examination is made as to the financial condition of any company. Companies may incorporate under the insurance act of Manitoba, or if they are licensed under the insurance act of Canada they may transact business in the Province by securing a license on the payment to the provincial treasurer of \$200. There are no securities required, except of those companies incorporated under the Manitoba insurance act. Insurance companies pay a tax of 1 per cent on the gross premiums received, but the annual license fee of \$200 is deducted from this amount.

There are nine American life insurance companies operating in this

district. The following is a list of companies other than American doing business here:

English.—London and Lancashire Life Assurance Company, Pelican and British Empire Life, and Standard Life Assurance Company.

Domestic.—Continental Life Insurance Company, Canada Life Assurance Company, Canada Provident Life Assurance Company, Confederation Life Association, Crown Life Insurance Company, Dominion Life Assurance Company, Excelsior Life Insurance Company, Federal Life Assurance Company, Great West Life Assurance Company, Home Life Association of Canada, Imperial Life Assurance Company of Canada, London Life Insurance Company, Manufacturers' Life Insurance Company, Mutual Life Assurance Company of Canada, National Life Assurance Company, North American Life Assurance Company, Northern Life Assurance Company of Canada, People's Life Insurance Company, Royal Victoria Life Insurance Company, Sovereign Life Assurance Company of Canada, Sun Life Assurance Company of Canada, Toronto Life Insurance Company, and Universal Life Assurance and Annuity Company.

TAXES AND FEES IN ONTARIO.

Consul E. S. Hotchkiss, of Brockville, writes concerning provincial life insurance requirements, in addition to those imposed by the Dominion:

In Ontario every life insurance company which transacts business in the Province must pay a tax of 1 per cent on the gross premiums received on business transacted in the Province during the preceding year. If the receipts of any life insurance company whose head office is elsewhere than in the Province of Ontario is less than \$20,000 from premiums on policies on the lives of persons residing in the Province, such company shall pay a tax of 1 per cent on the gross premiums and one-fourth of 1 per cent on the gross annual income received by the company on any loans which they may make in the Province. A provincial fee of \$2 per annum is required of all who solicit insurance.

PROVINCIAL REGISTRY FEES.

Consul Culver, of London, supplies the following statements covering the fees which must be paid by corporations applying for registry:

Corporations or incorporated branches having in Ontario 500 members or less—application for initial registry, \$2; extension of time for making application or delivering documents, \$1; certificate of registry, original or renewed, \$3; interim certificates or extension of certificates, \$2; revivor of registry after suspension, \$2; change of name or of head office, \$4.

Corporations or incorporated branches having in Ontario over 500 and not more than 1,500 members—application for initial registry, \$3; extension of time for making application or delivering documents, \$2; certificate of registry, original or renewed, \$10; interim certificate or extension of certificate, \$8; revivor of registry after suspension, \$6; change of name or of head office, \$6.

Corporations or incorporated branches having in Ontario over 1,500 and not more than 2,500 members—application for initial registry, \$4; extension of time for making application or delivering documents, \$2; certificate of registry, original or renewed, \$15; interim certificate or extension of certificate, \$4; revivor of registry after suspension, \$8; change of name or of head office, \$8.

Corporations or incorporated branches having in Ontario more than 2,500 members—application for initial registry, \$6; extension of time for making application or delivering documents, \$2; certificate of registry, original or renewed, \$25; interim certificate or extension of certificate, \$5; certificate of registry, original or renewed, \$10; change of name or of head office, \$10.

PROVINCIAL TAXES.

Quebec.—Consul Felix S. S. Johnson, of Stanbridge, transmits the following information concerning the taxes levied by the Province of Quebec upon insurance companies doing business therein:

An insurance company carrying one kind of insurance, \$500; a company carrying two or more kinds of insurance at the same time, \$500 for the first kind of insurance and an additional \$50 for each additional kind of insurance; plate-glass insurance companies, a tax of one-tenth of 1 per cent upon the amount of their paid-up capital; an additional tax of \$100 for each office or place of business in the cities of Montreal and Quebec, and of \$5 for each office or place of business established in any other place. Every person acting as a broker for marine insurance companies which do not carry on the business of insurance in the Province and has no office or place of business therein shall pay a principal tax of \$200 and an additional tax of \$50 for each of his offices or places of business. The total amount of the taxes imposed upon any commercial corporation coming under this section shall be payable annually to the collector of provincial revenue of the revenue district in which the commercial corporation has its head office. On or before the 1st day of May in each year every commercial corporation doing business in the Province shall, without waiting any notice or demand to that effect from the government, forward in duplicate to the provincial treasurer a detailed statement, in which shall be set forth the corporation, its nature, the amount of its capital paid up, the number and situation of each and all of its offices, places of business, or agencies. At the same date in each year every person acting as a broker for one or more marine insurance companies which do not carry on the business of insurance in this Province and have no office or place of business therein shall make a report of the number and the situation of his offices or places of business, as well as the name and nature of each company for which he transacts the business of insurance. Every commercial corporation carrying on business in the Province of Quebec and every broker acting for such marine insurance companies who neglects to conform to the provisions of such article shall, *ipso facto*, be liable to a fine of \$10 per day for each day during which such negligence continues, counting from the day such taxes become due until the statements required by the said preceding article are for-

warded to the provincial treasurer. Every such commercial company and every such broker who shall make an incomplete or incorrect statement shall be deemed not to have made a report.

New Brunswick.—Commercial Agent Gustave Beutelspacher, of Moncton, transmits the following information relative to the provincial requirements concerning life insurance in New Brunswick:

In addition to the requirements of the Dominion government, life insurance companies whose principal offices are not in the Province of New Brunswick must pay a provincial tax of \$250 annually (for companies whose principal office is within this Province the tax is only \$100), besides \$2 per year for each resident agent and subagent, but any agent not a resident of this Province for twelve months must pay \$100. The foregoing includes all taxes against insurance companies doing business in this Province, with the exception of such civic or municipal taxes as may be imposed in cities where companies have their head offices or places of business.

Nova Scotia.—Relative to provincial fees assessed on insurance companies in Nova Scotia, Consul Joseph T. Hoke, of Windsor, writes:

All companies doing business in Nova Scotia pay a fee to the Province annually, when making their annual reports, according to the amount of capital, as follows: Companies incorporated in Nova Scotia or Canada having capital not exceeding \$10,000, \$5; not exceeding \$100,000, \$10; not exceeding \$500,000, \$20; exceeding \$500,000, \$25. Mutual insurance companies having no capital pay a fee of \$50. Companies not incorporated under acts of Nova Scotia or Canada are taxed double the foregoing. These fees do not include assessments for rates and taxes for local purposes of a town or city where the company has a central office. These taxes are probably not assessed in this Province out side of the city of Halifax, where the companies have offices for the government of their provincial business.

Prince Edward Island.—Covering the insurance business of the Prince Edward Island Province, Consul Delmar J. Vail writes:

There are two American life insurance companies operating in this Province. The only other foreign company operating here is the Standard Life Insurance Company, of Edinburgh. The domestic companies represented here are: The Canada Life Insurance Company, the Confederation Life Insurance Company, the Mutual Life Insurance Company, and the Excelsior Life Insurance Company of Toronto, and the North American Life Insurance Company and the Sun Life Insurance Company of Montreal. American companies are highly appreciated, well patronized, and quite as popular as other foreign companies in this district. There is no discrimination in the local laws or on the part of natives against them.

So far as this Province is concerned no deposit is required of any life insurance company. The local government tax is \$225 and the civic license is \$50 annually. There is no system of governmental supervision or regulation established here; neither is there any method for giving publicity to the affairs and condition of a company. Fire companies pay an annual tax of \$200; marine companies, \$50.

MEXICO.

The insurance laws of Mexico are in a state of transition from a general lot of statutes to a code that will resemble the insurance code of New York State. A copy of the law now in force was transmitted by Consul-General J. R. Parsons, and is now on file in the Bureau of Manufactures, as the proposed code will be as soon as it is published. At present a Government concession, an initial deposit of \$50,000 Mexican, and yearly deposits in proportion to the business done are required from companies transacting an insurance business in Mexico. American companies do most of the business, with Canadian and home companies in order.

MEXICAN INSURANCE LAWS.

Consul-General Parsons, of Mexico City, says:

American and other foreign companies transacting business in Mexico must procure a concession and, like the domestic companies, must invest \$50,000 Mexican currency (\$24,900 United States) within five years from the date of their concession, and not less than \$10,000 Mexican currency (\$4,980 United States) a year. The investment must be made in Government bonds deposited as a guaranty in the national treasury or some bank designated by the Government. No premiums are required to be invested here.

The Government collects a tax of 2 per cent on all premiums collected on policies issued prior to January 1, 1893, and 3 per cent on all premiums collected subsequent to that date; also, a stamp tax of 10 centavos (4.98 cents) on each policy. Bimonthly reports must be made on all policies issued. In addition to the bimonthly statements, semiannual and annual statements are required, and the regular annual statement of the company, certified to by the proper officials, and containing names of the board of directors and officers, must be published in the Government organ, the *Diario Oficial*, or some designated paper.

Under the old law, in force up to 1893, several foreign companies transacted business in Mexico. The new regulations were such that many of these companies retired, and only two American companies now do business here. A new insurance department entered upon its duties October 1, 1904. Since that time it has been busily engaged collecting statistics and other matter with a view to a thorough revision of the Mexican laws relating to insurance. I am informed that it is now proposed to adopt practically the New York laws relating to insurance.

Consul-General P. C. Hanna, of Monterey, quotes the law as follows:

ART. 6. National insurance companies now constituted, or which may hereafter be constituted, in the Republic shall guarantee the fulfillment of their obligations to the public and to the Government by means of the acquisition of immovable property within the territory of the Republic, or produce in the general treasury of the nation or in the National Bank of Mexico a deposit either in cash or in values of the public debt which will produce not less than 5 per cent interest.

ART. 7. The amount of that deposit, or of the value of the immovable property, shall be 10,000 pesos (\$4,980) for each and every class of company before com-

mencing its operations; but after the first year, and in the successive years, the value of the policies in force shall govern according to the following propositions: Up to 2,000,000 pesos (\$996,000) in policies, 10,000 pesos (\$4,980); for each million pesos more or fraction thereof in policies, 5,000 pesos (\$2,490).

ART 8. Foreign insurance companies now operating, or which may be established, in the Republic shall produce a guarantee of the requirements of the foregoing articles in double the amount exacted of the national companies, taking as a base the value of the policies in force in the Republic, but if a company should prefer, it may be permitted to deposit a fixed amount which shall be indicated by the secretary of commerce, the amount to be in each case not less than 50,000 pesos (\$24,900).

It is noted from the above law upon the subject that the ordinary requirements of a foreign company are somewhat greater than those of domestic companies. In order that foreign insurance companies may begin to do business in this country, they must produce their articles of incorporation and convince the secretary of commerce that they are legally organized under the laws of the country which they claim as their headquarters. They must produce legally certified copies of their charter and of the by-laws approved by the general board, the names of the general officers and directors of the society or company, also a certificate showing that they have made the proper deposits. Their papers must show that they have appointed an agent with a residence in the capital of the Republic or some other city, with sufficient power to represent the company judicially and extrajudicially in the business that it may transact in the Republic.

INTERNAL REVENUE AND GOVERNMENT INSPECTION.

By article 12 the laws requires insurance companies to pay a book and document stamp tax for the registry of documents, in the following proportion:

(1) When the capital of working fund does not exceed 500,000 pesos (\$249,000), for each 100 pesos (\$49.80), 10 centavos (4.98 cents).

(2) When it exceeds 500,000 pesos (\$249,000), but does not exceed a million pesos (\$498,000), they shall pay for the first 500,000 pesos (\$249,000) the rate indicated above, and for the balance 5 centavos (2.49 cents) for each 100 pesos (\$49.80).

(3) When the capital exceeds a million pesos, they shall pay for the million according to the two divisions above, and for any excess 1 centavo for each hundred pesos (0.498 cents for \$49.80).

I am informed by general agents of insurance companies doing business in this country that nearly all of the companies transacting business here have obtained a concession from the National Government exempting them from the regular use of revenue stamps, such as are generally required to be placed upon policies, notes, receipts, and all public documents. I am informed that all companies may obtain a concession from the National Government that will exempt them from the use of revenue stamps on all policies issued and on all receipts issued for money. This is an exceptional favor toward insurance companies, as banks and all commercial houses are required to use stamps on nearly all of their documents and on all their receipts.

The law directs the secretary of commerce to organize a service of inspection to see that insurance companies comply strictly with the laws and regulations:

(1) The companies are to report to the secretary of commerce once in six months, reporting the number of policies issued, the number of policies extended,

those which have lapsed, those which have been completed and paid, and the amount of premiums produced and paid.

(2) To publish annually a legalized report of the condition of the business of the company.

(3) To allow the inspectors of the Government to examine their books, documents, and accounts in any manner indicated by the secretary of commerce.

INSURANCE RATES.

Mexico is divided into two zones—semitropical and tropical. Mexico City and north are given semitropical and south of Mexico City the tropical rates. No discrimination whatever is made as to rates. Standard American, semitropical, and tropical rates on ordinary life policies, as issued by all companies doing business in Mexico (there may be differences of a few cents in some rates of the different companies), are given herewith, per \$1,000.

Rates per \$1,000.

Age.	American rate.	Semi-tropical.	Tropical.
20.....	\$19.32	\$26.68	\$31.86
30.....	23.99	29.83	35.48
40.....	32.48	39.64	46.26
50.....	47.72	57.04	65.60
60.....	76.48	90.50	102.11

INSURANCE IN MEXICO CITY.

Incorporated in his report on the insurance laws and regulations of Mexico Consul-General Parsons had the following covering life insurance in the Mexico City district:

Four American and two Canadian life insurance companies transact business in the Federal district. The Mexican companies (La Mexicana, La National, and La Fraternal) have offices in the city also. American companies operating here are doing most of the business, followed by the Canadian companies, and last of all the domestic companies. There is no discrimination against American companies.

A monthly tax of \$50 Mexican (\$24.90 United States) is imposed on all insurance companies doing business in the Federal district.

In the Federal district (district of the City of Mexico) all property pays 6 per cent per month on its rental value, payable bimonthly in advance. A similar provision prevails elsewhere. The specific tax on premiums is from 2 to 3 per cent. On the surplus there is no tax. The stamp is 10 centavos (4.98 cents) on each policy.

CENTRAL AMERICA.

Insurance companies are regarded in the same light as other foreign corporations in Central America, and are practically at liberty to do business without regard to the various governments. In Guatemala a small deposit is required. The rates are such as are charged in all tropical climates, and the people buying policies are largely foreigners or natives who have lived abroad.

BRITISH HONDURAS.

Consul W. L. Avery, covering life and fire insurance in British Honduras, writes:

There are no fire risks placed with American companies in this colony, and but one American life company has a local agency. There are several British and Canadian companies represented, viz: The Manufacturers' and the Sun Life, of Canada; the Law Union and Crown, Phenix, Royal, and Norwich Union, of Great Britain. The field being well occupied and the business limited, American life and fire companies have not cared to share the risks.

The only law on the statute books in which insurance is mentioned is the penalty for fraud in the criminal code, as follows: "Whoever intentionally destroys or causes damage to any building, vessel, goods, cattle, or other things, with the purpose of claiming or obtaining or of enabling any person to claim or obtain any moneys or compensation of any kind from any person who has insured the same shall be liable to imprisonment with hard labor for twenty years," and the ordinance of 1898, regulating insurance contracts, a copy of which I inclose.^a It will be noticed that this ordinance is effective only after proclamation, and no proclamation having issued since it was passed, it is in abeyance. Thus any insurance company can enter this colony with practically no legal restrictions or control except as quoted, and free from fees, taxes, or publicity as to volume of business.

GUATEMALA.

Consul-General Alfred A. Winslow, of Guatemala City, reports as follows concerning life insurance in Guatemala:

Life insurance in Guatemala is looked upon with favor. At present there are but two life insurance companies doing business in the Republic, one an American company, which has about \$1,000,000 in insurance, covered by 200 policies, the other the Northern Assurance Company, of London, with comparatively no insurance as yet. There are no domestic companies of any kind.

RATES OF INSURANCE.

The rates charged here are much higher than in the United States, being as follows for \$1,000 at the ages given: Twenty-five years, \$31.86; thirty, \$35.48; forty, \$46.36; fifty, \$65.60; sixty, \$102.36 for whole life participating companies.

The laws regulating life and fire insurance companies are the same as govern all other corporations, a copy of which follows, approved April 15, 1903:

ARTICLE 1. Companies lawfully established in foreign countries may establish agencies in this Republic, with previous permission of the executive power, and submitting themselves to the regulations of the Code of Commerce in everything concerning the foundation of their establishments within the national territory, their commercial operations and the jurisdiction of the national courts.

ART. 2. After obtaining said permission, foreign companies desiring to estab-

^a Filed in the Bureau of Manufactures, Department of Commerce and Labor.

lish agencies in this Republic must file and record, in the book mentioned in article 235 of the Code of Commerce, their by-laws, deeds, and any other documents relative to their constitution.

ART. 3. The executive power can not grant the permission mentioned in article 1 if a certificate is not presented showing that the foreign company is constituted in accordance with the laws of its country. This certificate must be issued by the minister or consul accredited by the Republic of Guatemala.

ART. 4. Each company lawfully constituted in a foreign country that establishes an agency in this Republic must, besides the record required by preceding article, publish every year a balance sheet explaining clearly its assets and liabilities, as well as the names of the persons in charge of its management.

ART. 5. The lack of accomplishment by the companies or their agencies of any of the requirements of this law makes the agents personally and mutually responsible for all obligations contracted in this Republic, and they may be prosecuted as swindlers when their acts cause prejudice to a third person.

ART. 6. It is understood that the responsibility of the agents is in addition to any action that may be taken against the companies they represent.

ART. 7. The executive power may, in the case of article 4, exact a tax or license duty not above 1,000 pesos ^a a year for each company.

ART. 8. Foreign companies that have now agencies in this Republic are submitted to all the provisions of this law for the validity of their future acts.

All foreign corporations are required to pay 1,000 pesos into the treasury of this Republic before permission can be secured to transact business here, and for each succeeding year while doing business.

HONDURAS.

Concerning life insurance in the Ceiba district, Consul Dean R. Wood writes:

There is only one life insurance company operating in the Ceiba district, and it is American. There is no prejudice whatever here against American companies and no discrimination against them in local laws or on the part of the people.

No deposits are required by law or governmental regulation, nor are there any fees, taxes, or other payments required from insurance companies. There is no system of governmental supervision, and no method of giving publicity to affairs and conditions of insurance companies. No conditions are imposed to obtain the right to transact business, and none of the premium receipts of a company are required to be invested or held here. The rates of life insurance here are somewhat higher than in the United States.

Concerning life insurance in the Tegucigalpa consular district, Consul William E. Alger writes:

Two American life insurance companies have insurance in force in this district—the only companies operating here. One of the companies has refused to accept any new risks during the last ten years. Feeling toward the companies is not very cordial, owing to the fact that results on matured policies do not come up to promises made by agents.

No deposits, fees, taxes, or other payments are required. There is no Government supervision, no regulations or laws on the subject, except that contained in the Civil Code. No company can do business in the country without being legally recognized, but up to now,

^a The peso, at the date on which this report was written, was worth about 44 cents United States currency.

as to insurance companies, this has been a dead letter. The agent comes here, insures as many as he can induce to pay the necessary premium, and departs.

NICARAGUA.

Consul Chester Donaldson, of Managua, reports as follows on insurance of all kinds in Nicaragua:

For many years two American companies maintained agents here, but since 1900 one of them has written no new business. The other still maintains an agent here. These are the only two American life insurance companies that have operated to any extent in this country. One English company is operating extensively—the Great Northern, of London. There are no domestic companies in operation.

The American companies have always been very popular, but the company operating here now does not seem to do much for lack of a good popular agent. There is no discrimination against American companies. No deposit is required; no taxation on insurance; no supervision by government; no fees or taxes either before or after business has been transacted; no conditions imposed to obtain right to transact business; no part of premium receipts of the company required to be held in the country, nor are there any restrictions as to the amount of unimpaired capital required of foreign companies.

There are no special statutory laws here regulating the business of insurance. The same general laws of business apply to it that govern any other invested capital.

Insurance is little known and less thought of here. Very few Nicaraguans have either their lives or property insured. Losses by fire are so small that it is not common to insure houses or buildings, except by foreigners, and it is very seldom that a Nicaraguan, unless he has been abroad, insures his life. The natural abundance and easy life makes insurance a superfluous luxury. If the father of the family dies, everything goes on just the same. Peons do the work, the widow and the children sit in their town residence and receive reports from their mandadores (managers), enjoying life just the same as before the husband and father died.

PANAMA.

Concerning life insurance in the city of Panama, Consul-General Joseph W. J. Lee writes:

Two American companies and one British (Manchester Assurance Company) seem to be the only life insurance companies transacting business in Panama city. The feeling on the part of the citizens toward the American companies is of the most friendly nature, and there is no discrimination whatsoever against them. No deposits, taxes, fees, or other payments are required by law or by Government regulation in order to transact business. There is no system of governmental supervision, and the only means of giving publicity to the affairs of the companies is through advertisements in the public press. No conditions are imposed upon the right to establish insurance business. It is not required that the premium receipts be invested

and held at this place, and no amount of capital is specified for companies desiring to operate here. Owing to climatic conditions, higher premiums are exacted on life policies here, but in other respects they are issued as in the United States. Fraternal insurance organizations are not in existence in Panama.

SALVADOR.

Consul-General John Jenkins, of San Salvador, transmits the following:

Only one American and one Canadian life insurance company operate in Salvador. Domestic companies have not been founded; the Government transacts no insurance business, and fraternal insurance is unknown. The failure some years ago of an American life insurance company, which had underwritten a large amount of business in Salvador, naturally gave this business a setback; but I do not consider that this has created any dislike or local prejudice against American companies in general or in favor of those of other countries. Life insurance is taken out among foreigners resident here and by the wealthier class of natives, but is practically not thought of among the middle and laboring classes. The Canadian company appointed its agent only some twelve months ago, so that up to that time the American company had no competition, and it did business only during the infrequent visits of its nonresident agent. Figures on the volume of insurance written are not obtainable, as local law requires only the recording of the agent's credentials and a payment of an annual tax of 10 pesos on the agency established, this applying without discrimination to companies of all countries; neither do the laws require publicity to be given to the local business transacted by the company or to its financial condition.

WEST INDIES.

The life insurance business in the West Indies is open to everyone, and is generally free from government taxes or supervision. Cuba is the chief exception to this rule, as a \$25,000 deposit and a 2½ per cent tax on premiums are required. In the Danish West Indies a 4 per cent trade tax is levied, and here some discrimination is shown against American companies because they are charged with breaking their contracts.

BRITISH WEST INDIES.

INSURANCE IN BERMUDA.

Consul W. Maxwell Greene, of Hamilton, Bermuda, writes:

There are four American life insurance companies operating in Bermuda. The foreign companies here, other than American, are as follows: Canada Life, Manufacturers', Imperial, Federal, Sun, and North American, of Canada; Standard, London, and Globe, of England. There is one domestic company, the Bermuda Mutual Life Assurance Company, and it is run on the fraternal plan. So far as I can ascertain, with the exception of an occasional visit from an

agent representing a New York company, no American company seems to think it necessary to send a special agent for the purpose of securing new business here. On the other hand I have good reason for believing that the Canadian companies represented in Bermuda send yearly an accomplished agent for this purpose, which enterprise on their part has produced good results. I am of the opinion that good active intelligent agents from the American life companies would secure them a good share of the business. It is not true that the Canadian or any other foreign companies are preferred over the American companies, but the superior activities of these companies over the Americans is shown by results. They have the major part of the business, and I am led to believe that from this cause our companies are losing new business. There is no discrimination against American companies in the local laws.

No deposits are required for transacting business, neither taxes nor fees are exacted, there is no government supervision or requirement of any kind. The rate of premiums on first-class life policies of residents are the same as charged for similar risks in Great Britain; this statement equally applies to all rates as respects to ages:

AMERICANS LACK ENTERPRISE IN JAMAICA.

Concerning life insurance in Jamaica, Consul G. H. Bridgman, of Kingston, writes:

There are three American life insurance companies operating in this district. Foreign companies here, other than American, are: Scottish Amicable, Standard, Northern, Queen, Royal, London Assurance, Manufacturers', Barbadoes Mutual, Sun of Canada, Confederation Life, Commercial Union, Imperial Life of Canada, Yorkshire Life, and Scottish Union.

The Jamaica Mutual Life Assurance Society is the only domestic company here.

STANDING OF AMERICAN COMPANIES.

From information I have obtained it would appear that some prejudice previously existed against American companies, but it is fast disappearing as their financial standing becomes better known. For the reason of lack of business enterprise in pushing American companies, or possibly because better inducements are offered by other companies, it seems that they do not at present get business in their proportionate share. Naturally, in this British island English and domestic companies would be more popular than American, equal inducements being offered.

No deposits are required by law to be made by any insurance company. There is, however, a yearly stamp of £25 (\$121.66), by way of a license, which all companies, British, domestic, and foreign, have to pay. There are no fees, taxes, or other payments required of any company, either previous to authorization or on business subsequently transacted, beyond this stamp tax. There is no government supervision. Under the "companies act" of this island all native companies registered here, whether life, fire, marine, or trading companies, have to publish, in the Official Gazette of this colony, an annual balance sheet, but the provisions of this act do not apply to British or foreign companies, as they are not registered here. The

only condition imposed on any company to obtain the right to transact business is that of the payment of the yearly tax. No premium receipts of any company are required to be invested or held in Jamaica, nor is there any regulation respecting unimpaired capital.

Higher insurance rates are charged in the Tropics to residents of such countries than the rates charged to residents in northern latitudes. In this colony the rate of premium is generally from 8 to 10 per cent higher. No distinction, however, is made between natives and American or European born in rate of premium charges.

CONDITIONS IN ST. CHRISTOPHER.

Covering life insurance in St. Christopher, Commercial Agent Joseph Emerson Haven writes:

There is but one American life insurance company operating in this consular district.

The other foreign companies operating here are: Standard, Northern, Royal, Sun, and the Imperial, all British and Canadian. The Barbados Mutual Life Insurance Company is the only domestic company operating in this district.

A prejudice exists against American companies, and the Canadian companies are more popular, inasmuch as the insured believe that their policies are guaranteed by the Canadian government, which belief is incorrect. There is no discrimination in the local laws governing life insurance companies. The natives favor Canadian or British companies because they are not familiar with the laws governing American companies.

Deposits previous to business transactions are not required by law. Any company can transact business without restrictions or qualification. There are no fees or other payments required of a company, either previous to authorization or on business subsequently transacted.

American companies have 25 policies in force on this island, the amount of insurance being \$25,500. Tropical rates are charged to everyone, whether native or European born. If, however, the insured changes his residence to the United States or Europe the reduction from home rates is made in the premium.

Tropical rates per annum for each \$1,000 insurance are as follows: Age 20, \$23.31; 30, \$29.44; 40, \$39.69; 50, \$58.19.

CUBA.

Consul-General F. Steinhart, of Habana, writes concerning life insurance in Cuba:

There is no general law of life insurance in Cuba and no Government supervision. A deposit of \$25,000 currency is required before a life insurance company can begin business and after that a 2½ per cent tax is levied on the gross premiums collected in the country. There are no other requirements.

Besides three American companies, the Sun, of Montreal, and the Standard, of Edinburgh, are the only companies operating in Cuba. There are no domestic companies. The American are more popular than the other companies, but no statistics relative to the business

done by them can be obtained except through their home offices. Natives and acclimated foreigners are insured at the same rate, the premiums on \$1,000 being 25 years of age, \$31.86; 30 years, \$35.48; 40 years, \$46.26; 50 years, \$65.60.

DANISH WEST INDIES.

Covering life insurance in the Danish West Indies, Consul Christopher H. Payne, of St. Thomas, writes:

There are two American life insurance companies doing business here. The only other foreign companies here are the state institutions of life insurance (Danish), one Austrian company, and a British company. There is not the least sign of feeling against American companies, as such, but there is complaint against some American companies because of unreasonable slowness in settling claims and a general disposition to seek compromises and reductions instead of settling the claims promptly and in full. Companies other than American seem generally to settle claims in full and with more promptness. It is fair to conclude, therefore, that whatever feeling of opposition is existing here toward any American companies is not simply because it is American, but because of the uncertain methods used in settling claims.

There are no discriminations in the local laws against American companies, the feeling referred to above as existing among the natives has not developed as yet to a point of active discrimination. The Governmental regulations do not require any deposits to enable foreign companies to do insurance business here. Only a trade tax of 4 per cent is charged, which the agent is required to pay at the opening of the business. There is no special supervision by the Government. In order to obtain the right to transact business in this city an insurance company simply appoints an agent, clothing him with power to do business in the name of the company. The rate for tropical and semitropical countries is higher than in Europe or the United States, but no distinction is made between natives and Europeans and Americans as to rates.

DUTCH WEST INDIES.

Covering life insurance in the Dutch West Indies, Consul Elias H. Cheney, of Curaçao, writes:

There are no laws affecting the business of insurance, save such as apply to business in general. There are no domestic companies. Any foreign company is free to enter without license. It is a matter between the company and policy holder. To every inquiry in this direction the suggestion comes, "This is a free country," and it comes with wonderful force, all facts considered. The search for facts in connection with this report has given new evidence as to how free it is. All companies are welcome; American as much as any. There is no prejudice against them.

Only two American life insurance companies are doing business here, and no fire insurance company. In fact, only one company is now writing policies. It has 57 now outstanding. The other

has a very few old policies. I have not been able to ascertain the exact number, but probably less than a dozen. The only foreign life insurance company that is really doing any business here is The Manufacturers', of Toronto, Canada. It sent an agent here some three months ago, and a little activity has followed. Others might do the same, but I doubt if it would pay. There are less than 3,000 whites here, many of them poor, and not much could be expected among the 28,000 negroes. They are thriftless and put the few spare cents they have into the lottery or firecrackers. Two or three European companies have appointed agents here, but none of them is doing anything. None will till they send an agent, and that will not pay.

FRENCH WEST INDIES.

Covering insurance in the island of St. Pierre, Consul Charles M. Freeman reports:

There are four American life insurance companies operating in this colony, but only two having agents located here. The Sun Life and Canadian Life, of Canada, and the Standard, of Edinburgh, are the only other foreign companies doing any business, though two other Canadian companies have agents here. No domestic companies do any life business. The American companies, in my judgment, are more popular than others.

The principal insurance man of the colony assures me that there are no particular statutory laws or regulations governing the insurance business; no taxation of companies, premiums, or surplus; no license fees required to do business; and, in fact, the only law covering insurance of any kind is found in the policy.

HAITI.

Covering life insurance in Haiti, Consul John B. Terres, of Port au Prince, writes:

There is one American life insurance company operating in this district, and it is popular with both foreigners and natives. The Standard, an English company, has a local agent here. The amount of business done by this company is very small. There are no domestic companies.

No deposits are required by law or governmental regulations to be made by an American or other foreign company to qualify it to transact business in the country. There are no fees, taxes, or other payments required of the company, either previous to authorization or on business subsequently transacted. In fact, there are no laws on insurance. The field is open and free for all.

It is difficult to obtain data relative to the amount of business transacted by the American company. In past years much more was done than at present. I think that the company operating in this island has policies for about \$600,000 running at the present time. The rates charged in this country are much higher than in the United States or Europe. No distinction, however, is made in the charges between natives or foreign born. I have not been able to obtain the rates of premium.

SOUTH AMERICA.

No foreign companies operate in Venezuela, the conditions imposed by the laws having driven them out. In Peru the condition precedent to beginning business is \$50,000 in real estate and \$50,000 in other security invested in the country, in addition to which a 5 per cent tax must be paid on profits. There are no requirements of any kind in Colombia, and in British Guiana only a \$250 license fee is required. Argentina, Chile, and Brazil require deposits, and there is a measure of government supervision in all those countries.

ARGENTINA.

The following information, covering life insurance in Argentina, is from Consul-General D. Mayer, of Buenos Ayres:

There are two American life insurance companies operating in Argentina, the Equitable Life and the New York Life. The other foreign companies doing business here are the Royal and the Standard, of England, and the Sud America, of Brazil. The Argentine life insurance companies are the Economia Comercial, Equitativa del Plata, Franco-Argentina, Inmobiliaria, Positiva, Previsora, and Providencia.

STANDING OF AMERICAN COMPANIES.

The feeling toward the American companies on the part of the Argentinians is all right, excepting among those interested in domestic companies, some of which, naturally enough, would like to see foreign companies excluded from competition. The American companies are apparently as popular with the natives as any other companies, foreign or domestic. There is no discrimination in the local laws or on the part of the people against American companies, except in the rate of taxes on premium receipts and annual license fee.

A deposit of \$150,000 in Argentine paper money or Government bonds at par is required from foreign companies before they can transact business.

There is a license fee of from \$3,000 to \$5,000 paper in the capital of the nation, and license fees for various amounts in provinces, and a 2 per cent tax on premium receipts on foreign companies.

I can not furnish copies of the laws governing the insurance business. Some are in the commercial code, some in the civil, and some in the taxes and patent laws. Excepting as to taxes and patents, there is no discrimination between native and foreign companies. Foreign life companies are taxed 2 per cent on premium receipts, domestic life companies one-half of 1 per cent, and there is no Government supervision of insurance. There is no deduction allowed to be made from the income tax on account of life insurance premium payments. There is no information published of the extent of business by American or other insurance companies, so that I can not give the number of policies and the total amount of insurance in force with all the companies. The American companies charge what they call their semitropical rates here, south of the twenty-sixth degree of south latitude, and the tropical rates north of that line, and there is no distinction made between natives and foreign born.

BRAZIL.

Concerning life insurance in Brazil, Consul-General Eugene Seeger, of Rio de Janeiro, writes:

Up to the fall of 1895, most of the life insurance business in Brazil was done by two insurance companies of New York. Only two home mutual insurance companies were in operation here and their business was insignificant. The business of the aforesaid two companies was voluminous, and, so I am informed, also very lucrative. A sudden change of those conditions was brought about, as was told me by a competent authority, through the act of a former representative of one of the New York insurance companies, who, after surrendering a contract extremely advantageous to him at a consideration of \$1,000,000, established a local rival company and succeeded in inducing the Brazilian Congress to pass a law hostile to foreign companies. Thereupon the two American life insurance companies and many fire insurance companies ceased to do business in Brazil.

In 1902, however, one of the New York life insurance companies sent a representative to Brazil with instructions to find a means of reestablishing that company in the Republic. This he succeeded in doing after a long and tedious agitation with the national authorities. This company is now the only foreign life insurance company taking new business in Brazil.

Before they are qualified to do business foreign companies must make a deposit, in cash or bonds of the Federal Government, of 200 contos (\$65,600), and must procure an authorization from the Government under the conditions specified in decree No. 5072 of December 12, 1903. A stamp tax is levied on premiums and licenses, but it varies in different States. Inspectors, appointed by the Government but paid by the companies, have a supervisory duty over the insurance business, and, in addition to this supervision, each company is required to file annually proof of the existence of its assets. There is a provision that "reserves" must be invested in Brazil, but the basis on which they are to be computed is not specified.

DECREE AUTHORIZING A FOREIGN COMPANY

Consul J. H. Johnson, of Santos, submits a copy of the decree of November 13, 1902, authorizing the American company now operating in Brazil to do business there:

The President of the United States of Brazil, attending the requisition made by the New York Life Insurance Company with headquarters in New York, and having in view the dispositions of the law No. 294 of the 5th of September, 1895, in the part applicable to the mutual life insurance companies, resolved to give them the necessary permission in accordance with the clauses stated below and signed by the minister of finance:

(1) The company must maintain deposited in the Federal treasury the amount of 200 contos of reis^a in virtue of the decree No. 9503 of the 3d of October, 1885, to guarantee their contracts in Brazil; they can, however, substitute it for the same value in policies of the Federal public debt.

(2) The company is prohibited from making any alterations in their statutes in the act of their incorporation, which are found duly registered and annexed to the decree referred to, No. 9503, without previous authorization of the Federal Government.

(3) The company must subject itself to the laws, regulations, and Brazilian courts in all acts practiced in Brazil, without being able at any time under any pretext to allege exceptions founded on their statutes.

(4) The company must have in Brazil a representative with powers necessary to decide any question that might arise, either with the Federal Government or with private parties, defending the company pro or con before the courts.

(5) Besides this representation the company is obliged to have in the capital of Brazil their principal agency, with powers to accept proposals for life insurance and to emit or substitute definite policies within ninety days if their directors in New York confirm the risk proposed. In case of refusal the policies emitted by the agency are of no value, in which case the agency will refund the money received for said policies. This agency also must have powers to pay the losses verified, and can if considered convenient assemble a consulting committee.

(6) The company is obliged to employ the net value of the reserves of the policies emitted in Brazil in national values, such as debentures of the public debt, titles which are guaranteed by the Union, lands or buildings in the territory of the Republic, mortgages on buildings and land, shares in railway companies, banks, factories, or other establishments in Brazil, or in deposits in banks that operate in Brazil chosen by the company and without responsibility to the Government.

(7) The company must submit to the permanent fiscalization of the Federal Government which will be exercised by an inspector, chosen by the Government but paid by the company. This inspector has the right to examine the books and protest against any irregularities that he may find, communicating same to the Government and to the parties interested.

(8) At the end of each year the company must remit to the Federal Government through the inspector an itemized report of its operations in Brazil during the year, mentioning especially the number of insurances effected, the amount of the reserve, and the manner in which it is invested, and every six months to publish in the *Diario Official* a balance of these operations.

The nonfulfillment of these clauses, or any one of them, will be considered sufficient to annul the present authorization.

BRITISH GUIANA.

Consul George A. Moulton, of Georgetown, writes as follows concerning life insurance in British Guiana:

The Bardados Mutual Life; Standard, of Edinburgh; Sun, of Canada, and two American companies are the only foreign life insur-

^a A conto of reis at the date on which this report was written was equal to \$328. It varies according to rates of exchange.

ance companies operating in British Guiana. There is one domestic company—Demerara Mutual Life. The amount of foreign insurance carried here is estimated at \$1,000,000, and the larger part of this is in American companies. An annual license fee of \$250 is required of all companies. Beyond this the law interferes with them in no way.

For a tropical region higher rates are charged than in the United States, sometimes as much as 50 per cent in excess. Acclimated subjects are charged no more than natives. Extra charges of 1 per cent to 2 per cent are imposed for Europeans or Americans for from two to three years, until acclimatized.

A specimen annual premium for a tropical country for a policy of \$1,000 is, 25 years, \$31.86; 30 years, \$35.48; 40 years, \$46.26; 50 years, \$65.60.

CHILE.

INSURANCE LAW OF CHILE.

The following report covering the insurance law of Chile is from Consul Charles S. Winans, of Iquique:

Insurance companies of whatever kind can carry on operations in Chile only by authority of the President of the Republic. They are of two classes and are graded according to their capital. Those having a capital of 500,000 pesos (\$182,500) or more are of the first class, and those under that amount of the second class. In order to qualify it is necessary for those of the first class to deposit with the minister of commerce and labor securities to the amount of 400,000 pesos (\$146,000) and those of the second class 300,000 pesos (\$109,500). A yearly license of 4,000 pesos (\$1,460) for life insurance companies of the first class and 3,000 pesos (\$1,095) for companies of the second class is required to be paid at the office of the headquarters of the companies in Chile. In addition all companies must deposit 50 per cent of their receipts of each year with the fiscal treasurer. These deposits can not be withdrawn without six months' notice that the risks covered by the deposits have been concluded.

The President of the Republic appoints inspectors to examine the books and accounts of all insurance companies. Such inspector must have free access to the books and archives. Every six months insurance companies must submit to the minister of commerce and labor, for publication in the *Diario Oficial*, a statement of its operations for the previous six months, which must include premiums received, accidents, insurance paid, and risks pending in Chile. The account and annual balance of all insurance companies must be published in a newspaper of the locality in which the companies have their headquarters in Chile.

TEXT OF THE CHILEAN INSURANCE LAW.

(Promulgated December 17, 1904.)

ARTICLE 1. Foreign insurance companies of whatever kind must be authorized by the President of the Republic before being allowed to operate or establish agencies in Chile. Article 467, paragraph 1, of the Penal Code, will be applied to agents or insurance companies not authorized by the President of the Republic. The decree authorizing the existence or operation of an insurance com-

pany, can be revoked for infraction of any of the obligations which this law imposes.

ART. 2. To secure authorization the following is necessary: (1) Proof that the company has been organized in accordance with the laws of the country where it was founded. (2) To invest in real estate, with clear title, situated in Chile, or national securities, or deposit in the national treasury or in the office designated by the President of the Republic the amount which corresponds to the category or class which has been designated and the class of insurance in which the company is engaged.

ART. 3. For the purpose of the deposit exacted in the preceding article there has been established two classes of fire insurance companies. The companies whose paid-up capital amount to 500,000 pesos (\$182,500) or more will be classified as of first class, and as the second class whose capital is less than the above amount. To compute the amount of the capital there will be taken into account the reserve and accumulated funds. Fire insurance companies and other risks classed as the first class will deposit 300,000 pesos (\$109,500) and those of the second class 200,000 pesos (\$73,000). Marine and farming insurance, inclusively, will deposit 50,000 pesos (\$17,250).

The deposit can consist of Chile money, or pounds sterling, national securities, or bank drafts, as fixed by the President of the Republic. The said securities or drafts will be estimated annually at the current market price by the President of the Republic. This deposit will be held as a guaranty to the obligations which the companies have contracted in Chile in favor of those insured, and the real estate to which paragraph 2 of article 2 refers can not be mortgaged for more than one-half the amount of the funds accumulated in Chile by the companies.

ART. 4. Life insurance companies will be considered also as of the first and second class. The President of the Republic will fix the class to which they belong by a study of the balance of the operations executed in the country.

ART. 5. Life insurance companies must give a guaranty by one of the following methods: (1) They must show proof to the minister of commerce and labor of the acquisition of real estate or the investment of 400,000 pesos (\$146,000) if of the first class, or 300,000 pesos (\$109,500) if of the second class, in securities and in the form indicated in paragraph 2 of article 2 of this law. (2) Deposit with the fiscal treasurer or invest in securities, as indicated in the paragraph cited and in the form there established, 50 per cent of the amount of the premiums collected on policies contracted each year.

ART. 6. The amount deposited as a guaranty to this law can not be withdrawn without previous justification with six months' notice that the risks or operations which were the cause of the guaranty, have terminated. Those deposits referred to can be embargoed or retained only for the purpose of the payment of the insurance contracted.

Nevertheless, the President of the Republic can authorize the substitution of some of the securities deposited for others of equal value.

ART. 7. Fire insurance companies or other risks of the first class will pay a license of 3,000 pesos (\$1,095) per year, and those of the second class 2,000 pesos (\$730) per year. Marine and farming insurance companies will pay a license of 500 pesos (\$182.50) per year. When insurance companies are established in foreign countries the license is collected only at the headquarters of the company in Chile. The licenses established by this law are fiscal and are applicable to foreign and domestic companies and are to be paid semiannually, in January and July of each year.

ART. 8. Foreign insurance companies to which this law refers will be considered as domestic and will be subject to the judicial and administrative authorities and in general to the legislation of the country for all their obligations contracted. Their legal representative, without restrictions, will be considered the principal agent which they have in Chile, whatever may be the terms of policies or the powers of said agents. The responsibility of life insurance companies located in a foreign country will begin at the same moment that the representative in Chile collects the first premium and issues a policy.

ART. 9. Insurance companies can not be organized with a paid-up capital of less than 100,000 pesos (\$36,500) and without there being set aside as a reserve fund one-fourth of the receipts until it reaches 200,000 pesos (\$73,000).

ART. 10. Every six months insurance companies will pass to the minister of commerce and labor, for publication in the *Diario Oficial*, a statement of the operations for the previous semester, which must include the amount of premiums received, accidents, insurance paid, and risks pending in Chile. The

account and annual balance of domestic companies will be published in a newspaper of the locality in which each company has its principal agency.

The agencies of foreign companies will arrange an account yearly, giving the state of the funds of the company in Chile, specifying the sums collected as premiums, expense of administration, paid on policies, values of drafts sent to a foreign country or received, the form of the securities existing in the country, special reserves, losses and gains, and other details which show the condition of its operations in Chile. The agencies of foreign companies to which the previous paragraph refers must also, on their own account, publish in Chile a statement of the general balance of their operations. The account which is referred to in paragraph 3 will be published in the form established in paragraph 2.

ART. 11. The President of the Republic will designate inspectors from the treasury department for the purpose of watching the operations, books, and accounts of domestic companies or agencies of foreign companies. Said companies or agencies must show, on request of the inspectors, their books and archives, under a penalty of a fine of 1,000 pesos. Increasing or falsifying the balances and accounts to which this law refers will be punished in accordance with articles 193 and 194 of the Penal Code.

ART. 12. There must be paid into the treasury 2 per cent of the first premium and of the receipts of the renewal of all fire insurance policies. This contribution will not affect the insurance. The investments deposited by foreign companies and the capitals of domestic companies are exempt from taxes.

ART. 13. The value of life insurance policies are exclusively in favor of the insured.

ART. 14. The payments of the amounts insured in the policies issued by the companies of which this law treats shall be closed and approved, whatever may be the accident, without previous consultation with the principal office.

ART. 15. The license which insurance companies are now paying to the municipalities in accordance with the law of December 22, 1876, is annulled.

COLOMBIA.

Covering life insurance in Colombia, Consul Alban G. Snyder, of Bogota, writes:

There are two American life insurance companies operating in this district, and no other foreign company does business here. There is one domestic insurance company, for life and transport, known as the "Compañía Colombiana de seguros de vida." So far as I am able to gather the feeling toward the American companies on the part of the Colombians is very favorable, and they are as popular as the domestic company, if not more so. There is no discrimination in the local laws or on the part of the people against American companies. There are no deposits required by law or governmental regulation to be made by any foreign company to qualify it to transact business; no fees, taxes, or other payments are required of the company, either previous to authorization or in business subsequently transacted, and there is no system of governmental supervision or regulation of any kind.

PERU.

Consul Alfred L. M. Gottschalk, of Callao, Peru, writes:

At present no American life insurance companies are operating in Peru. I believe that two American companies at one time operated or attempted to operate here, but they withdrew from the field some time ago. The lower classes here do not take kindly to the idea of insuring their lives, probably owing to some superstitious fear.

Many prominent persons, however, carry life insurance, usually written out in the United States or in England during some visit of theirs abroad. There is only one foreign insurance company in the field here, a recently established branch of "La Provisora," of Buenos Ayres.

The Peruvian Government requires of insurance companies, both foreign and native, that \$50,000 be invested in real estate locally, and that a similar sum be invested in some other way, but within the confines of the country. The companies are taxed 5 per cent on their net profits. Governmental supervision is effected by a special official designated for the purpose, who views the books twice a year. All insurance companies are required to publish (in one of the daily papers) their balances monthly.

Such foreign companies as once operated here did their business on a "tropical-risk" basis. No distinction, however, was made between natives and resident foreigners in the matter of charging premiums.

VENEZUELA.

Of life insurance in Venezuela, Consul Carl Bailey Hurst, of La Guaira, says:

FOREIGN COMPANIES FORCED OUT.

American life insurance companies no longer operate in this consular district. For many years agencies were established here by foreign concerns, but the restrictions placed thereon by the local government were such as to cause the discontinuance of further business. Such life insurance contracts as had been written during the period when the various companies were extending their work in this territory and are still in force can only be kept alive by direct payment of premiums to the home management or through some agent outside of the limits of this Republic, to whom one must travel to secure new insurance.

While there are no companies of the United States in this field there are at the same time no companies of any other nation. One reason for the exclusion, caused by the imposition of a too onerous taxation, was undoubtedly the supposition of greater earnings of the companies abroad than is really the case. Prevailing rates of interest in this country are exceptionally high, and it was presumed that foreign concerns had methods of securing approximate returns. Some of the insured, perhaps misinformed by local agents, who had policies maturing during the years that foreign companies were here, discovered that the accumulations with their policies when due, were not as heavy as they had anticipated, a result, on the basis of the premiums paid, that was not possible when the investments of the companies were made outside of the country, but a result that might have been obtainable if the companies' investments had been made in Venezuela and the profits were such as had been hoped for by the managers. There is no ill feeling against American insurance companies among citizens in this district who have investigated the object of insurance, even superficially; in fact, they are preferred to the other companies. It has happened that a representative of a foreign company has visited this territory for a limited time and

solicited business among insurable people, although this is not in accord with existing laws. There is no domestic life insurance company in Venezuela. In this district the *Compania Venezolana de Seguros*, of Caracas, has been organized, with a capital of 550,000 bolivars (\$106,150), and a reserve fund of some \$13,000, which does chiefly a marine insurance business. This company is reinsured in the Marine Insurance Company, of London.

While it is undoubtedly the purpose of the local government to foster the growth of its own societies, it also looks to the individual welfare of its citizens, and it is not beyond the realm of possibility that the rigor of existing regulations may be so relaxed after some concerted private negotiations on the part of foreign companies with the proper department of the Federal Government, whereby the old-time companies of the United States and other nations may re-occupy this field to the reciprocal benefit of Venezuelan citizens and foreign societies, whose strong organization and vast capital can inspire a security that a younger and weaker company can not well give to any land.

INSURANCE LAW OF VENEZUELA.

Every foreign insurance company in order to operate in Venezuela must possess real estate in this country free of all incumbrance, the amount of which the national executive will fix in each case in proportion to the importance of the company and to the business it may transact. The amount shall not be less than 600,000 bolivars (\$115,800) for life insurance companies and 200,000 bolivars (\$38,600) for other companies, and they may be required to invest up to 25 per cent of the amount of the insurance written by them in the country. In addition to this an annual tax must be paid of 5 per cent of the premiums on policies already issued or that may be issued during the year. These requirements are mandatory on all foreign companies that desire to do an insurance business in Venezuela, irrespective of the nation in which the company may be originally incorporated. As a consequence, all foreign companies, whether American, English, German, or French, doing business in life or in marine or in other insurance hitherto established in Venezuela, completely retired, owing to the absolute impossibility to operate successfully under the new law.

The Venezuelan Commercial Code of 1904 contains in Section IX the following rules applicable to insurance companies:

Foreign companies may transact business and appear in courts of Venezuela as plaintiffs or defendants, remaining subject, nevertheless, to the legal requirements respecting nondomestic societies.

Foreign companies that may wish to establish agencies in Venezuela must comply with the same regulations as those prescribed for Venezuelan companies; and if stock companies, they shall be entered in the commercial register of the town in which they may have their place of business, and they shall publish in a newspaper of the locality their charters and other documents that may have been necessary for the formation of the company under the laws of the country of origin, and a duly legalized copy of the ruling sections in those laws. Any modification of the articles of incorporation or of the by-laws must be published as before mentioned.

Failure to comply with the regulations relative to the local establishment of a foreign company will render personally and collectively responsible the administrators, agents, or any other representatives for all liabilities incurred. Those transacting business in the name of a company and not meeting the requirements as prescribed will be liable to a fine of from 1,000 to 10,000 bolivares (\$193 to \$1,930), or a corresponding term of imprisonment.

ASIA.

The Asiatic field is comparatively open, but the conditions do not seem especially inviting. Foreign companies in Siam and China are governed by the laws of their respective countries, under extraterritorial rights, and in China this mitigates against them as the native companies operate under no restrictions and take risks at lower rates, while investing their money at higher interest. In British India the income tax must be paid, about 2½ per cent on net profits. The business is not subject to restrictions of any kind in Dutch India and Hongkong. There is little insurance in Persia, as the tenets of Mohammedanism make it seem superfluous.

BRITISH INDIA.

Consul William Thomas Fee, of Bombay, writes:

There is but one American insurance company operating in Bombay. The following is a list of the other foreign life insurance companies doing business in Bombay:

Alliance Assurance Company, Atlas Assurance Company, City of Glasgow Life Assurance Company, Commercial Union Assurance Company, Empire of India Life Assurance Company (Limited), Gresham Life Assurance Society (Limited), Indian Guarantee and Suretyship Association (Limited), Law Union and Crown Insurance Company, Legal and General Life Assurance Society (Limited), Liverpool and London and Globe Insurance Company, London Assurance Corporation, London and Lancashire Life Assurance Company of London, Manufacturers' Life Insurance Company, Mutual Provident and Guarantee Society (Limited), National Guarantee and Suretyship Association, North British and Mercantile Insurance Company (life), North British and Mercantile Assurance Company, Oriental Government Security Life Assurance Company (Limited), Pelican and British Empire Life Office, Royal Insurance Company, Royal Exchange Assurance Corporation, Scottish Amicable Life Assurance Society, Scottish Imperial Insurance Company, Scottish Metropolitan Life Assurance Company, Standard Life Assurance Company, Sun Life Assurance Company of Canada.

The law of India does not require any deposit to be made by any foreign insurance company, nor does it provide for regulations of any kind for insurance companies. All companies are liable to the income tax, and are assessed under Tax Act II of 1886, on the net profits made in British India. The section of the income-tax law which applies to insurance companies is as follows:

Five pies in the rupee on the whole of the net profits made in British India by the company during the year ending on the day on which the company's

accounts have been last made up, or if the company's accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of the net profits so made during the year ending on the 31st day of March.

There being 12 pies in an anna and 16 annas, or 192 pies, in the rupee, the assessment of 5 pies in the rupee would equal a trifle more than $2\frac{1}{2}$ per cent on the net profits of the companies that is required to be paid annually as income tax in India. Deductions are allowed to be made from the income tax on account of life insurance to the extent of not exceeding one-sixth of the amount of the income tax.

Section 5 of the income-tax act provides:

That subject to any conditions and restrictions which may be prescribed in this behalf, such portion, not exceeding one-sixth, of the income in respect whereof a person would, but for this exception, be chargeable under this act as is deducted from the salary of the person under the authority or with the permission of the Government, for the purpose of securing a deferred annuity to him, or a provision to his wife or children after his death, or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life or on the life of his wife, is exempted from the tax.

As insurance companies are not required by law to give any public statements as to the extent of business transacted, the number of policies, or the amount of insurance in force, it would be impossible to give any accurate estimate of the amount of insurance business transacted in this district.

One per cent higher rate is charged by life insurance companies to residents of the country than is charged by the same companies to residents of the United States or Europe. It is customary to place the provision in the policy that if in case the insured returns to Europe or America the annual premium payment is lowered by 1 per cent.

INSURANCE IN CEYLON.

Consul W. Morey, of Colombo, writes:

Two American life insurance companies are operating in Ceylon, but the one apparently most successful lately will not disclose the volume of its business, claiming to have referred the matter to the head eastern office at Calcutta.

The principal other foreign companies operating in Ceylon are: Oriental Government Security, Bombay; China Mutual Life Insurance and China Traders, Chinese; Canada Pacific Railway, Standard Life Assurance, Universal Life Assurance, Western Assurance, Commercial Union Assurance, Liverpool, London, and Globe, North British and Mercantile, Royal Insurance, Scottish Union and National, and Yorkshire Life and Fire, British.

The American companies are as popular with natives as any other, but probably less popular with Europeans. There is no legal discrimination against them, and they have gained a good reputation for prompt payment of claims.

No deposits are required by law from any insurance company previous to transacting business or subsequently, and no publicity is required by the government. No amount of unimpaired capital is required, and no portion of premiums need be invested in the country. In fact, the business of insurance is not governed by any special local laws, and no tax whatever is paid to the local government.

INSURANCE RATES.

Respecting differential rates between tropical and temperate climates, one company admits that it can not state them definitely. The other company quotes as follows: "Roughly speaking, the rates are about \$10 less per annum on each \$1,000 insurance; that is, where the tropically insured goes to a temperate climate." This statement may be clear enough to insurance adepts, and it possibly implies that \$10 is allowed off of the yearly premium for every \$1,000 of the policy. The local rates of British companies are as follows: For a policy of \$332, without profits, at 20 years of age, \$9.25; 30 years, \$10.50; 40 years, \$13.12; 50 years, \$17.33; 60 years, \$21.25. These are the lowest rates quoted.

For a like policy (\$332) the premiums of one American company are: Twenty-five years, \$10.35; 30 years, \$11.50; 40 years, \$14.97; 50 years, \$21.25; 60 years, \$33.08.

CHINA.

The following report on insurance in China is from Consul George E. Anderson, of Amoy:

The insurance business in China is at the parting of the ways, and the next few years are likely to develop some important changes in methods of business, governmental supervision, and in the nature and classes of risks in life, fire, and marine business. At present the most interesting feature of the situation is a rather peculiar contest between foreign and native companies for certain classes of business in life insurance. A few years ago foreign life insurance companies, mostly American, were taking business of rather wide scope in China. From time to time there were restrictions and exceptions made by them with respect to risks, however, until at the present time not more than a third of the foreign companies are accepting risks upon Chinese people, and these risks almost without exception are upon the endowment plan only. In the meanwhile the Chinese themselves have gone into the insurance business upon a more modern basis than the schemes of insurance of all kinds which have existed in China for hundreds of years. They have organized insurance companies of several varieties and are pushing them vigorously, generally under the supervision of American agents and representatives.

CHINESE COMPANIES AGGRESSIVE.

There is this important difference between the two classes of companies doing business in China at the present time: The foreign companies are doing business according to rules, regulations, and legal restraints fixed respectively in the countries of their origin. Their high expenses of management, their high agents' commissions, their expenses due to legal requirements make high rates for risks necessary, while their conservatism in the matter of investments produces low interest returns upon reserve funds. On the other hand the Chinese companies are securing high rates of interest upon their investments, which run to real estate in foreign settlements in China. They are

making two, three, and as high as four times as much on their investments, in fact, as foreign companies. The result is that they can and do offer lower rates to policy holders for larger returns. It is true that there is the element of uncertainty in the investments of such companies, and in case of another national convulsion in China things would look rather blue for such companies. At present they are making a hard fight for business, and they are getting it. Their foreign agents are among the most prosperous people in China. Their native agents are prosperous and are growing in influence. Both foreign and domestic companies follow the plan of establishing local agencies under the control of a foreigner, who appoints and superintends the work of native solicitors and subagents for Chinese work, with foreign staffs in the larger cities to deal with the foreign element. While the domestic companies are booming, the foreign companies are drawing their lines of business more closely and carefully.

This present situation is the natural development of the fact that in China there are no restrictions whatever as to the insurance business in any of its branches. Foreign companies, under extraterritoriality, are controlled by the laws of their respective countries so far as they are controlled at all. The native companies are controlled only by ordinary rules of business advantage and business sense. There is no requirement that a native life insurance company, for instance, shall have a reserve of any sort. In its competition with other companies, however, and in its efforts to secure business a native company has reasonably and naturally found that a reserve is a practical necessity. It has one, therefore, even if it is not so carefully invested as the reserve of a company which is compelled by the laws of some State of the United States to have its reserve in cash or a certain class of securities. This same principle applies to all classes of insurance in China. For all the branches there are no special taxes, no deposits, no governmental supervision, no requirements as to publicity, no conditions imposed upon the right to do business in the country, no restrictions as to the investment of premium receipts, no deductions, no tax of any kind other than a possible local municipal tax upon offices and their furniture—in short, no statutory provisions or control of any sort. Any individual or corporation can do an insurance business in China if he or it can find anyone willing to be insured upon the terms offered.

SECURITY AND RATES.

The natural result of such a state of things is that the policy holder in China has no more protection than the company insuring him is willing to give. The entire business is upon a free contract basis. The only practical regulation is competition with companies which are under more or less control in other countries. It is hardly fair to the domestic life, fire, and marine insurance business of China to say that it is not upon a safe basis. It is only fair to other interests to declare, however, that if there should be much uncertainty in the Chinese business world at any time, and especially if there should be a collapse in some real estate values, there would be grave danger to the holders of Chinese insurance policies.

The matter of rates under such a system, of course, is rather uncertain. In life insurance the rates are higher in China than in the

United States. Higher rates are charged for residents of tropical and subtropical countries than for residents of Europe or the United States, although out here no distinction is made in rates between Americans and Europeans. All the Asiatic coast district north of Shanghai pays subtropical rates, while all south of that pays full tropical rates, although neither division is in the latitude to which it is assigned. By foreign companies generally natives are only insured on the endowment plan for ten, fifteen, or twenty years. Foreign companies' rates for ordinary life will run: Age 25, \$31.86; age 30, \$35.48; age 40, \$46.26; age 50, \$65.60; age 60, \$102.16. A foreigner insured in an American company while in the United States will generally pay an increase of nearly 30 per cent in his annual premium while here, although some American companies allow for this difference in fixing their original rates.

FOREIGN AND NATIVE COMPANIES.

The only native life insurance company of the modern sort doing business in this district at the present time is the China Mutual Insurance Company. It is managed by Americans. Of the foreign companies there are five who have regular offices in Amoy, two of them being American companies, and only one of the American companies accepting Chinese risks. Other foreign companies are the Sun Life, of Canada, and the Manufacturers' Life, of Canada, both of which accept native risks, and the Standard, of England, which does not accept native risks. Of these life insurance companies the Americans are decidedly the most popular, although they are not so popular as the Chinese company. There is, of course, no discrimination in favor of any of them from the Government, which has nothing to do with the insurance business.

All provinces and districts of China have their own insurance organizations. The Chinese are great insurers, after their own methods, and they have been in the business for many centuries. There are mutual semi-insurance organizations in almost every village in the Empire, and they cover almost every need of humanity—organizations cooperating for Chinese weddings and for the burial of the dead, for investment, for protection from lawsuits—in short, for almost every purpose. So-called "investment" companies, promising large returns upon savings intrusted to their care from week to week or from month to month, are popular, and some of them have insurance features. These latter companies also are usually under the direction of foreigners, but it is doubtful if in the long run this will be of advantage to representatives of foreign enterprises who wish to do business upon conservative and safe lines.

While it is dangerous to speculate upon anything in China at the present time, and especially upon the future of a business like the insurance business, there is little doubt but that the insurance business of the country will soon be revolutionized. The disposition of foreign companies to draw the limits of their business closely indicates their belief in the danger of the present situation. The increasing popularity of the Chinese companies and their present great prosperity are certain to lead to a "boom" state of things, which is certain to be followed by disaster, if indeed such disaster is not already

in sight. Out of such a disaster may come such governmental control that the business will be placed upon a basis similar to that of Europe and America. If Chinese governmental conditions continue to be such that governmental control of insurance is impracticable, and this is likely to be the case for years to come, the prospective reaction will surely be of advantage to the foreign, conservative, and closely regulated insurance business.

INSURANCE IN OTHER CHINESE DISTRICTS.

Tientsin.—Consul-General J. W. Ragsdale says:

At present there are ten companies doing business in China, namely, three New York companies; the Meiji Life, of Japan; the Manufacturers' Life and the Sun Life, of Canada; the Standard Assurance Life, of Scotland, and the Royal Life, of England; also the China Mutual Life, of Hongkong, and the Shanghai Life, of Shanghai. The last two are entirely under foreign control, there being no actual native or Government companies or fraternal organizations.

There are no laws of discrimination or for governmental supervision, for taxation, deposits of premiums or capital, publicity of financial condition, or any other requirements. The companies represented, however, as a rule, make and publish annual statements. All companies work under the laws of their respective countries. This also applies to fire insurance companies. No American companies are doing business in fire or marine insurance in China, the field being occupied almost entirely by English companies.

Canton.—According to Consul-General J. G. Lay there is one American life insurance company operating in Canton, and two other foreign companies. The feeling of the Cantonese toward the American company is very favorable. The American company has from 650 to 700 policies in force, for about \$1,000,000.

Hankow.—Consul-General William Martin says there are two American life insurance companies operating in Hankow, one taking risks in both Chinese and foreigners and the other confining its business to foreigners altogether.

Nanking.—Two American life insurance companies do business here, and they are quite popular. Three companies outside the Americans do business in Nanking.

DUTCH INDIA.

Of life insurance in Dutch India, Consul B. S. Rairden, of Batavia, writes:

Two American life insurance companies operate in Dutch India, as do six British—Guardian Assurance Company, Northern Insurance Company, Royal Insurance Company, Scottish Union and National Insurance Company, Sun Life, of Canada, and Imperial Life Insurance Company. One French and one German life insurance company do business here also.

Including the Netherlands companies, there are eleven domestic life insurance companies—Aurora Levensverzekering Maatschappij,

Arnhem Levensverzekering Maatschappij, Eerste Rotterdamsche Levensverzekering, Eerste Nederlandsche Levensverzekering Maatschappij, Amsterdamsche Levensverzekering Maatschappij, Hollandsche Societeit van Levensverzekering, Utrechtsche Levensverzekering Maatschappij, Algemeene Maatschappij van Levensverzekering, Dordrecht Levensverzekering Maatschappij, Nationale Levensverzekering Bank, and Nederlandsche-Indische Levensverzekering Maatschappij.

One of the American life insurance companies has been very popular among the natives, also among the Chinese, although the domestic companies have no doubt influenced them against this company within the past few years. Neither the American nor British companies are as popular with the Dutch residents as the domestic companies. There is no discrimination in the local laws or on the part of the natives, however. No deposit is required by the Netherlands Indian government from any insurance companies transacting business here, nor are fees or taxes required. In fact, the government does not recognize them as other than business corporations, and they are subject only to the general laws.

Tropical or Eastern rates in life insurance are about 10 per cent higher with foreign companies than the European rates, but the domestic companies make no difference in their rates. Natives, Chinese, American, or European born are all insured at same rates in first-class risks. The American life companies have no Eastern rates at 20 years, but beginning at 25 the Eastern rate per annum per \$1,000 for whole-life period is \$31.86; at 30, \$35.48; at 40, \$46.26; at 50, \$65.50.

HONGKONG.

Consul-General Edward S. Bragg, of Hongkong, writes:

There are two American life insurance companies operating in Hongkong and 188 foreign insurance companies of all kinds in the district. The companies and colonies represented substantially include the United States, Canada, every nation of Europe, China, and Japan. A detailed list is given in the Directory and Chronicle of Hongkong for 1905, on pages 476, 477, 478, 479, a copy of which directory has been furnished and will be found in the records and archives of the State Department in Washington. No domestic insurance corporations do business in this district.

There is no antagonism on the part of the natives against the American companies, but, on the contrary, the ratio of policies issued is reported to me to be about twenty to one in favor of the American companies. There is no discrimination in the local laws, and no deposits are required by law or governmental regulation from any foreign company to qualify it to transact business, nor are there any conditions imposed on business done. Life insurance for the Tropics is 1 per cent above American rates and one-half per cent above semi-tropics.

PERSIA.

Consul-General John Tyler, of Teheran, writes:

Life insurance is practically unknown in Persia, and from inquiries which I have made I think it is doubtful whether one in 20,000 of the native population is insured. Six or seven years ago a Dutch insurance society tried to introduce the system, and in Teheran several people were induced to insure, though not for very large amounts, but after a time, finding that it was all payments and no receipts, they asked to have their money returned.

There are many reasons which militate against even the partial adoption of life insurance in Persia. One of the greatest is a lack of confidence in the stability and morality of financial institutions, and the belief that in the end their self-denial will result in no benefits. Another is that the Moslem faith strongly enjoins upon the children the necessity of providing for and protecting their parents in old age and infirmities. Furthermore, so far there has been no proof or demonstration of the benefits derived from the genuineness of the system of insurance in respectable companies. None of the insured continued to pay long enough for even the amount of one policy to be received. Again, the general rate of interest, added to the principal, is too low in comparison with the lowest rate in Persia—12 per cent, rising to 24 per cent—to induce the respectable public to invest their savings or to practice self-denial for a sum which can be quadrupled on good security.

It appears to a Persian, moreover, strange, incongruous, and contrary to all the rules of ordinary human conduct that a person should lay up a store which he can not enjoy in his lifetime. If a man saves or hoards money he wants some present enjoyment therefrom, if it be only the pleasure of looking at it. There is, furthermore, no educated public opinion and no means of general enlightenment, such as newspapers or periodicals, on the benefits to be derived from thrift or making provision for a rainy day or for one's family after death or in old age. If one speaks on the subject he is met with the fatalist's refuge: "God is great, and the world contains a portion for everyone, so why should one deprive himself now in order to meet a remote possible contingency or necessity." Furthermore, life, except in times of epidemics, is much less exposed to dangers and accidents than in great centers of industrial and social activity. Accidents in Teheran, with a population of 250,000, are of extremely rare occurrence; so it seldom happens that a family is plunged into distress by the sudden removal of its support.

The complex conditions of family life, on account of the plurality of wives, not infrequently makes a sudden access of wealth a misfortune rather than a blessing, by introducing litigation and quarrels, which dissipate in bitterness the patrimony and provision intended to place their objects out of the reach of destitution and want. No American association or society is represented, but if Persia were taken up as a field for operations there is nothing in custom or practice that would discriminate against it unfavorably. Insurance does not come within the provisions of Moslem law, and all disputes arising from any cause whatever would be examined and decided on the principles and procedure of equity.

SIAM.

Consul-General Montgomery Schuyler, jr., of Bangkok, writes:

One American company has an agency here, but it is not very active. As regards natives, it is neither more nor less popular on account of its being American.

The other foreign companies operating here are—Northern, Royal, and Union, British; Sun, and Manufacturers', Canadian; Java Sea and Life, Batavia Sea and Life, and Samarang Sea and Life, Dutch; Aleanza, Italian.

As this is an extraterritorial country, foreign companies are not under the jurisdiction of the Siamese laws. There are no Siamese insurance laws nor any Siamese companies. A higher rate is charged in Siam by life insurance companies on account of the tropical climate and the general insanitary state of the country.

All insurance business done in Siam is transacted by foreign—chiefly British or German—companies, through their local agencies in Bangkok. They seldom have local offices, and few companies do business on any large scale. Very few Siamese have their lives insured, but the Chinese take more readily to it, as they do to any business enterprise.

The field in Siam for American life insurance companies is worth cultivating, but companies should send out men used to oriental methods and familiar with local conditions.

AFRICA.

In British South Africa a deposit of £10,000 and a license are required for the privilege of transacting life insurance business, and a tax of 6d. per pound sterling is levied on all premiums. Algeria is under French laws and the Canary Islands under the Spanish insurance code. With these exceptions the insurance field in Africa is practically open. Egypt has no legal requirements other than those which apply to all business corporations; Liberia is open and inviting; Madagascar requires a nominal license fee, as do Sierra Leone and Portuguese East Africa. Morocco is open to all without restrictions, and Zanzibar grants extraterritorial rights to foreign corporations. Madeira levies a stamp tax of 3 per cent on premiums paid domestic companies and double that amount on those paid foreign companies.

ALGERIA.

Consul James Johnson, of Algiers, writes:

There are four American life insurance companies operating in this consular district. They have simply branch offices here, depending directly on the Paris offices, where all policies must be sent for signature. All the French insurance companies have agencies here.

Many foreign insurance companies other than American are also represented here.

American companies have no hostile feeling nor legal discrimination to contend with. They are neither more nor less popular than the French or the companies of other foreign nations. The recently passed laws require foreign companies to have in France property to the amount of their liabilities in the country. All contracts must be in the French language. Foreign companies must publish, in French, accounts of all their operations and hand copy of same to any person assured or interested, at the maximum price of 1 franc. No company, French or foreign, can transact business without being registered at the ministry of commerce, which must publish the authorization to do business or advise the company of its refusal to register within six months from the date of application.

As the colony is in the Temperate Zone, the rates are the same as in France.

BRITISH SOUTH AFRICA.

Of life insurance in Cape Colony, Consul W. R. Bigham, of Cape Town, writes:

There are three American life insurance companies operating in Cape Colony, the other companies being British, Australian, or Canadian. Four local or "domestic" companies also operate here.

American companies are not so popular as domestic companies, but there is no discrimination in the local laws or on the part of the natives against them.

Foreign companies must deposit £10,000 (\$48,665) in securities with the Cape government before beginning business. Insurance licenses are necessary, and taxes are levied of 6d. per £1 (12 cents on \$4.86) on premiums received during the preceding year. There is no governmental supervision. The companies have simply to file annual returns showing revenue account, balance sheet, and statement of business done. Companies need not at present invest anything beyond the deposit before mentioned.

Rates of insurance are the same for people of all countries and climates.

CANARY ISLANDS.

Consul Solomon Berliner, of Teneriffe, writes:

Two American life insurance companies have agents in Teneriffe and Las Palmas. Formerly one of these companies sent a special agent from Madrid, who secured proposals, and policies were eventually issued; many of these are still in force and the premiums are still being paid. Agents of the Gresham and Union Assurance companies (British) make spasmodic efforts to secure proposals, but the business done is very limited. L'Asseguradora Española (fire and marine), which has its head office at Santa Cruz de Teneriffe, has announced that it will shortly start a life department.

No hostile feeling toward American companies can be reported, and their popularity or otherwise would undoubtedly depend upon the terms offered.

There is no discrimination in the local laws or on the part of natives against American companies; the fact is, the two before mentioned enjoy the highest reputation here.

A deposit of 1,000,000 pesetas is required by Spanish law to be made by any insurance company before permission to transact business in Spain is accorded by the Government; this deposit is accepted in Spanish bonds or in cash. In this and all other respects the Spanish insurance law governs insurance in these islands.

EGYPT.

Consul-General J. W. Biddle, of Cairo, says that three American and a large number of other foreign companies take life risks in Egypt, as a rule, at rates prevailing in temperate zones. There are no government requirements or restrictions. The natives, being Mohammedans, do not think life insurance a good investment.

LIBERIA.

Consul-General Ernest Lyon, of Liberia, writes:

Four American life insurance companies operate here. As there are no agents here, or any public means of obtaining information on the subject, I am unable to say what is the exact extent of their business. There are three other large districts in the Republic, with a considerable population of civilized people and a sufficient sprinkling of American citizens, both white and black, to warrant the successful operation of any one company. There are no domestic companies in operation in Liberia. The citizens have not yet awakened to the great value and convenience of these institutions. The nearest that comes to anything like an insurance company are the various benevolent secret organizations which pay their weekly stipend during sickness and a burial allowance in case of death. From the popularity of other American institutions operating in Liberia, I would unhesitatingly say that an American insurance company would meet with preference. I consider the field ripe for one.

There is no statutory legislation on the subject of insurance, and therefore no deposits would be necessary to do business here. Such rights are always determined by the legislature when the necessity arises. A company to do business would have to secure a charter from the legislature like any other corporation. This would mean a monopoly of the district in the Republic of Liberia. No such procedure would be necessary for an agent on the ground in the interest of a foreign insurance company. The rates are higher for insurance in the Tropics. I am unable to state positively whether any distinction is made between native and American-born citizens.

MADAGASCAR.

Consul William H. Hunt, of Tamatave, writes:

The French Government has rendered applicable to this colony the decree of January 2, 1902, fixing jurisdiction in insurance litigation, the chief clause of which reads as follows:

In cases affecting insurance contracts and litigation arising therefrom the respondent may be summoned before the proper tribunal having jurisdiction in the locality where the case arises.

Several cases against foreign insurance companies represented in Madagascar have been brought before the courts during the past year. The questions of jurisdiction and domicile particularly have prompted the judicial authorities to ask the application in this colony of the decree.

There is only one American life insurance company transacting business in Madagascar, but owing to difficulties with its agent some time ago the French bank is authorized by the company to collect the premiums from its policy holders. For this reason it has not been found possible to obtain any exact details as to the number of policies in force or the amount of the company's business in Madagascar. This company is directed from its European headquarters in France.

There are about a dozen other foreign insurance companies here, including French companies. There are no domestic companies.

So far as I am able to judge there is the best of feeling toward the American company here, and it is as popular, apparently, as the others. There is no discrimination in the local laws against it. No deposits are required other than the annual license fee of \$38.60 demanded of all companies, regardless of nationality.

Insurance agents in Madagascar have recourse to the local press as a method of publicity as to the condition of their respective companies, or, rather, as advertisements, and further that end by personal calls on prospective patrons. The merchants are invariably the representatives of insurance companies, and are averse to giving any information about their business, insurance or otherwise.

MADEIRA.

Consul T. C. Jones, of Funchal, reports as follows on life insurance in Madeira:

Only one American life insurance company has an agency in this city. It has been established only a short time, and it is impossible to form any correct idea of its business. Americans are popular in this district, and the popularity of the company would depend mainly on its agent and his capacity for that kind of work. The Royal and Imperial Insurance companies, of England, have agencies in this city. About a dozen domestic (Portuguese) companies operate here.

There is no discrimination in the local laws, except in the stamp tax or on the part of the natives, against American or other foreign companies. No deposits are required by law or Government regulations to be made by a foreign company to qualify it to transact business.

The only fee required is the stamp tax of about 3 per cent for home companies on the premium paid on each policy and double that amount for foreign companies.

There is an equal tax on both foreign and Portuguese companies according to the amount of business done, but this tax is very light. There is no Government supervision or regulation as to foreign companies.

The rates charged in this district are the same as charged by English companies in England. No distinction is made in rates for natives and foreigners.

MOROCCO.

Consul-General S. R. Gummeré, of Tangier, reports three American life insurance companies operating in Morocco. Other foreign companies operating in the Empire are the Le Phénix (French) and Banco Vitaticio de España. There are no domestic life insurance companies. The Hebrews are the only persons who seek life insurance; the Moroccans themselves never insure. There are no laws, regulations, or requirements of any kind regarding insurance in Morocco; neither are any taxes imposed on insurance companies. Insurance rates in Morocco are about the same as those prevailing in Europe and the United States. In some months past (May 9, 1905) the issuance of life insurance policies has fallen off to a very large extent.

PORTUGUESE EAST AFRICA.

Of life insurance in the Portuguese province of Mozambique, Consul W. Stanley Hollis, of Lourenço Marquez, writes:

The climate in this district is tropical and subtropical, and people residing therein do not appeal to first-class life insurance companies as very desirable risks, even when extra premiums are paid. No American life insurance companies are doing any business in this district, although this office, in conjunction with one of the leading physicians here, has tried very hard to induce an American company already operating in the British colonies in South Africa to do so.

Seven years ago I tried to get insured in a number of American life insurance companies, but every company approached refused even to consider the proposition of insuring my life, for the sole reason that I was living in this country. Finally, by paying an extra annual premium of \$10 per \$1,000 I got insured in a Scotch company, which, however, has no agency or representative in this district. In order to get a policy in this Scotch company I was obliged to pass a very rigorous examination.

No insurance companies have offices in this district. A number of general merchants and traders here undertake a little insurance agency business as side lines, and the companies thus represented here in life insurance are the following:

North British and Mercantile (which is also a fire company), Standard Life Assurance Company, Sun Assurance Company (represented by a retail draper), and Northern Assurance Company (also a fire company), and all British concerns. There are no domestic insurance companies in this country.

There are no special laws in this country relating to insurance, consequently there is no discrimination against any company of whatever nationality. All firms, corporations, or individuals doing business here must be licensed and pay an industrial (income) tax as well. A general agency license (under which the holder can do business as an insurance agent and transact almost any other business as well) costs \$60 per annum, and the industrial (or income) tax to be paid on the business will amount to from \$125 to \$190 per annum. All clerks or other employees in such establishments must pay income taxes also, and these run to from \$25 to \$100 per annum. After the above-mentioned license fees and taxes have been paid in advance, the parties paying the same can do all the insurance business they can possibly do without any restrictions of any sort or any supervision whatever by the local authorities.

Thus it will be seen that there are no taxes on premium receipts, and that no deposits must be made or cash capital carried to secure the interests of the policy holders here. For this last-mentioned reason, and for the further reason that heavy additional premiums are charged on life policies issued to residents of this district, the life insurance business transacted here is practically nil. A resident of this country wishing to effect an insurance upon his life with a financially strong and important company must go to Johannesburg, Durban, or Cape Town, at all of which places the leading American and European companies have either regular agencies or some other representation.

SIERRA LEONE.

Of life insurance in the British colony of Sierra Leone, Consul John T. Williams writes:

There are no American life insurance companies transacting business in this colony. There is one English company here, the National Mutual Life Assurance Society of London. It maintains an agency, but I have not been able to procure any facts or figures as regards its operations. Africans are regarded as better risks than Europeans; hence they are insured at lower rates.

Life insurance among the African people is of comparatively recent introduction. Being practically a new institution, its advantages are not generally understood by them. Notwithstanding this, it is very evident to me that when the benefit of modern life insurance is better understood by the people and as they advance socially and financially they will avail themselves of its opportunities.

The government exercises no supervision or control whatever over insurance companies in the colony. Companies desiring to open offices in the city to carry on insurance business would probably be required to pay a municipal license tax of £2 2s. (\$10.21) per annum. By way of a general reference to the Department's circular, I will say the origin and heads of all financial, commercial, and industrial enterprises in West Africa are located in Europe. In consequence of these circumstances it is impossible to get full statistical information relative to insurance in the colonies from sources other than the heads of these organizations.

ZANZIBAR, ETC.

Consul Mason Mitchell writes:

There are no American insurance companies in Zanzibar, Mombasa, or Dar Salaam; however, ten British, three Austrian, four German, one Italian, one Hongkong, and one New Zealand companies operate here. As all foreign governments enjoy extraterritorial rights in Zanzibar, the foreign companies operate under the laws of their domicile.

OCEANIA.

AUSTRALASIA.

Consul Orlando Baker, of Sydney, New South Wales, transmits the following report on life insurance in the several Australian States and in New Zealand:

LIFE INSURANCE COMPANIES IN OPERATION.

Three American life companies do business in each Australian State except Western Australia and Tasmania. In these and in New Zealand only two transact business. There are three British companies doing business in Victoria—the Royal Insurance Company, the Northern Insurance Company, and the Liverpool, London and Globe. One Canadian company, the Independent Order of Foresters, transacts business in every State except New Zealand. The London, Liverpool and Globe also transacts business in New South Wales, and the Royal Insurance in Tasmania. The American companies are the only foreign companies doing business in Western Australia, South Australia, and Queensland. It is possible, however, that in the latter two States the British companies may have a small renewal business.

The following Australasian companies are in operation in the places designated:

Australasian companies.

Company.	Spheres of operation.
Australian Alliance Assurance	Melbourne, Victoria.
Australian Metropolitan Life Assurance Co. (Limited)	New South Wales and Queensland.
Australian Mutual Life Assurance Co. (Limited)	New South Wales.
Australian Mutual Provident Society	All the States.
Mutual Life Assurance Co. (Limited)	All the States except Tasmania.
Australian Widows' Fund Life Assurance Co. (Limited)	All the States except Western Australia.
Citizens' Life Assurance Co. (Limited)	All States and in the United Kingdom.
City Mutual Life Assurance Co. (Limited)	Victoria, New South Wales, and Queensland.
Colonial Mutual Life Assurance Co. (Limited)	All States and in Cape Colony, Natal, and the United Kingdom.
Mutual Life Association of Australasia	All States and in the United Kingdom.
National Mutual Life Assurance of Australasia	All the States and in Cape Colony and the United Kingdom.
New Zealand Government Assurance	New Zealand.
People's Prudential Assurance Co. (Limited)	New South Wales.
Phoenix Mutual Provident Society	Do.
Provident Life Assurance Co.	New Zealand and New South Wales.
Standard Life Assurance Co. (Limited)	New South Wales and Victoria.

FEELING TOWARD AMERICAN COMPANIES.

The feeling toward American companies on the part of Australasians is generous, and the public is willing to give due consideration to the contracts offered by American companies on their merits. There is one Australian company, established for over fifty years, which has an overwhelming influence with the people, but even in the face of this the American companies can compete successfully for business. British companies have practically ceased to do business in Australasia.

The laws of the Australasian States do not discriminate against American companies, although many unsuccessful attempts have been made by the various legislatures to enact hostile legislation.

LEGAL REQUIREMENTS.

A company before doing business in a State (except in New South Wales) must comply with the legal provisions respecting deposits and certain other conditions laid down in the various acts. With the exception of the statutory deposits, a company's premium receipts in any State are not required to be invested in that State. The laws of Victoria and Tasmania provide that the statutory deposit of £5,000 (\$24,333) shall be refunded when the funds amount to £15,000 (\$72,998). The following States require the deposits named: New Zealand, £5,000, increasing up to £20,000 (\$97,730) in the case of domestic companies and up to £50,000 (\$243,325) in the case of foreign companies; South Australia, £5,000, increasing up to £20,000; West Australia, £10,000 (\$48,665), increasing up to £20,000; Queensland, £10,000. The laws of the last four States provide that in the event of the bankruptcy or insolvency of a company the deposits shall be entirely appropriated to the payment of the liabilities under the policies in force in the States. New South Wales has no legislation covering deposits. No unimpaired capital, with the exception of statutory deposits, is required in any of the States.

No fees, taxes, or other payments are required from the company either on previous authorization or on business being subsequently transacted, except as follows:

Victoria.—Income tax of 8d. on the pound (16 cents on \$4.87) on 30 per cent of the premium income received in Victoria. *South Australia*.—Annual license fee, 25s. for every £100 or part of £100 (\$4.99 on \$486.65) on annual net premium income. There is also a public trustee fee on the statutory deposit. *Tasmania*.—Income tax of 5 per cent on 20 per cent of the total income. *Queensland*.—There is a stamp duty on every policy issued by company, and an income tax of 1s. on the pound (24 cents on \$4.87) on 25 per cent of the premium income. *New Zealand*.—Annual license fee of £200 (\$973.30) and an income tax of 1s. on the pound (24 cents on \$4.87) on interest received.

Policy holders are allowed to deduct from their taxable income the amount payable to life assurance in the following States: Up to £50 (\$243.33) in New South Wales, New Zealand, Queensland, and Victoria. There are no provisions for deductions in Tasmania, South Australia, or Western Australia.

There is no system of governmental supervision or regulation. The life acts in each State, except New South Wales, provide for certain returns being made. The revenue account balance sheet and statement of business in force have to be returned annually to the government registrar, and a return showing the valuation by the actuary has to be made triennially, or quinquennially if such valuation be made only once in five years. Every company is required to forward to every policy holder a copy of each return deposited with the government. This does not apply to New South Wales, while in New Zealand the policy holder has to apply for a copy.

POLICIES IN FORCE AND RATES.

It is not possible to ascertain exactly the amount of business of the three American life companies in force, but from the Connecticut insurance report of 1905 the following particulars of the Australasian business of these companies are given:

Business done by American companies.

Company.	Number of policies in force.	Insurance in force.	Total policy claims paid.	Premium actually received during 1904.
No. 1.....	16,628	\$31,127,688	\$638,779.51	\$1,153,094.97
No. 2.....	5,621	12,370,599	50,759.40	444,900.68
No. 3.....	8,243	15,066,799	177,678.70	614,100.79
Total	30,492	58,565,086	867,212.61	2,212,096.44

It is not the general custom for Australian companies to charge higher rates for residents of tropical and semitropical localities. A person once having taken out a policy in an Australian office is free to travel anywhere in the world without any restriction whatever. This applies to policies issued within the last fifteen years. If, however, a proponent states his intention of residing in an unhealthy country of Australia he will only be accepted at a higher rate, if, indeed, his proposal is not declined.

INSURANCE IN QUEENSLAND.

Concerning life insurance in Queensland, Consular Agent W. J. Weatherill, of Brisbane, writes:

Besides three American, the following life insurance companies operate in this district: Foreign—Scottish Amicable Life Insurance Company (Limited), Scottish Metropolitan Life Assurance Company, Liverpool and London and Globe Insurance Company, and the Independent Order of Foresters, of Canada. Domestic—Australian Widows' Fund, Australian Mutual Provident Society, Australasian Temperance and General Mutual Life Assurance, Citizens' Life Insurance Company (Limited), City Mutual Life Insurance Company, Colonial Mutual Life Assurance Society (Limited), Mutual Life Association of Australasia, National Mutual Life Assur-

ance of Australasia (Limited), Prudential Life Assurance Company, and Temperance and General Life Office. Higher rates are not charged for persons residing within the tropical and semitropical belts than are charged to the residents of the United States or Europe, and no distinction of rates of premium charged is made between Australasians and Americans or European born. I give the following specimen insurance rate for every £100 (\$486.60): Twenty years of age, £1.19 (\$9.61); 30 years, £2.8 (\$11.68); 40 years, £3.5 (\$15.82); 50 years, £4.13 (\$22.63); 60 years, £7.12 (\$34.56). These policies have a guaranteed surrender value, and policy loans are granted up to the full extent of the guaranteed surrender value after three years' duration. Bonuses vest immediately, together with, in addition, interim bonuses up to the date of claim. Interest is charged on loans at a very low rate under these special policies.

AMERICAN COMPANIES.

The following table shows the business done here by American companies:

Business transacted in Queensland by American companies.

Insurance.	Number of policies.	Sum assured.
Assurance.....	2,184	\$4,418,220
Endowment assurance.....	1,155	1,565,680
Endowment.....	29	21,780
Annuity.....	15	5,125
Total.....	3,383	6,025,805

There is no feeling adverse to American companies on the part of the inhabitants of this State. They are as popular as other foreign companies, but domestic companies are more favored because their headquarters are in this country, and they are nearly all mutual companies, having the profits shared among the policy holders.

GOVERNMENT REQUIREMENTS.

The Queensland life assurance companies act of 1901 provides:

Every company carrying on assurance business in Queensland shall deposit with the State treasurer either (a) the sum of \$50,000 to be invested by the State treasurer in debentures, stock, treasury bills, or securities of the government of Queensland; or (b) securities of the value of \$50,000, consisting of debentures, stock, treasury bills, or securities of the government of Queensland.

Every company is required to pay income tax and stamp duty on policies, as provided in the income tax act of 1902, as amended in 1904, and the stamp act of 1894. The taxable income of life assurance companies is 25 per cent of the total premiums earned in the State of Queensland—that is, on the total income subject to the tax it is 25 cents on every \$5. The stamp tax is 24 cents on every \$500 or fraction thereof. There is no system of governmental supervision or further requirement than that referred to above.

CONDITIONS IN TASMANIA.

Consul A. G. Webster, of Hobart, reports as follows on life insurance in Tasmania:

Two American life insurance companies are operating in Tasmania, the other foreign companies being Australian Mutual Provident Society, Australian Widows' Fund, Citizens' Life Assurance Company (Limited); Colonial Mutual Life Company; Liverpool, London and Globe Company; Mutual Life Association of Australasia, and National Mutual Life Association of Australasia. There are no Tasmanian life insurance companies.

The two American companies had in force in 1903 1,369 policies, for £477,575 (\$2,324,119). The feeling toward American life companies is certainly less friendly than to Australian—in some cases it is distinctly hostile. There is no discrimination in the local laws, however, against them.

Every life company is required by law to deposit £5,000 (\$24,333) before commencing business, but this is returnable when the fund accumulated out of premium amounts to £15,000 (\$72,998). Every foreign company must register and pay £50 (\$243.33) by way of stamp duty before commencing business, and in addition must pay a 1 per cent tax on the premiums received in Tasmania. Companies must register as having or not having secured assets in Tasmania, and returns and statements must be furnished to the registrar of the supreme court, which returns are laid annually before Parliament. All such documents may be inspected on payment of a fee. Nothing more is required of any company than the preceding. No deductions are allowed to be made from the income tax on account of life insurance premium payments. Life policies of two years' currency are, to the extent of £1,000 (\$4,866) and bonus additions, not liable for debts.

INSURANCE LAWS AND BUSINESS IN VICTORIA.

Vice-Consul-General A. P. Merrill, of Melbourne, submits the following:

LEGAL CONDITIONS.

There is no governmental supervision of insurance in the State of Victoria, but there are certain regulations in force governing public companies generally which have to be conformed with by all companies alike, whether they be domestic or foreign, no discrimination whatever being made against foreign companies operating in the State. A life insurance company must be registered and every year make a return to the registrar-general of revenue account, balance sheet, and business in force. A company must also once in every five years (or once in every three years, if it make an annual investigation) make a return setting out the position of the company actuarially. A copy of each of the above returns must be sent to each policy holder. Every company is required to keep a separate account of its business and its assets in the State, and if the company become bankrupt, insolvent, or be wound up, no part of such assets in the State shall be applied for the payment of liabilities outside of the State until the liabilities in the State are paid in full. Every life insur-

ance company must deposit with the government treasurer the sum of £5,000 (\$24,333) before the registrar-general will issue a certificate of registration, to be held by that official until the life insurance fund, accumulated out of the premiums, amounts to £15,000 (72,998) when the deposit will be refunded to the company. Interest is allowed by the government while the deposit is held. No amount of unimpaired capital is required from any insurance company doing business in the State and there are no fees or other payments required to be made prior to registration or during subsequent progress other than an income tax of 1½ per cent on the premiums received in the State and which is applied to all companies, domestic or foreign. Under the act governing the income tax deductions up to a certain amount are allowed to taxpayers on account of premiums on life policies in companies operating in the State, and the section of the act dealing with this reads thus:

Any taxpayer who has effected or may hereafter effect an insurance on his own life for his own benefit or for the benefit of his wife and children or some one of them with any company or association carrying on in Victoria the business of life insurance may deduct from his income as an outgoing the amount of premiums paid in any year in respect of such insurance. No greater premium than £50 shall be allowed in any year in respect of all premiums paid for such insurance.

FOREIGN AND DOMESTIC COMPANIES.

There are three American companies operating in Victoria, the only life insurance companies of the large number operating here which are neither British nor Australasian. Companies other than American transacting life insurance business in Victoria are as follows:

British.—Alliance Assurance, City of Glasgow Life Insurance, Liverpool and London Globe Insurance, London and Lancashire Life Assurance, North British and Mercantile Assurance, Northern Assurance, Royal Insurance, Scottish Metropolitan Life Assurance, Yorkshire Fire and Life Insurance, Royal Exchange Assurance Corporation, Scottish Union National Insurance.

Australasian.—Australian Temperance and General Mutual Life Assurance, Australian Life Assurance, Australian Widows' Fund Life Assurance Society, Citizens' Life Assurance, Colonial Mutual Life Assurance Society, Mutual Life Association of Australasia, Temperance and General Mutual Life Assurance Society, Victorian Life and General Mutual Life Assurance Society.

AMOUNT OF BUSINESS TRANSACTED.

The following statement shows the life insurance policies in force in Victoria at the close of each year from 1900 to 1904:

Amount of insurance in Victoria, 1900–1904.

Year.	Number of policies.				Amount of insurance.			
	Australasian.	British.	American.	Total.	Australasian.	British.	American.	Total.
1900	165,848	1,208	5,662	172,718	\$112,833,681	\$2,696,644	\$12,535,817	\$128,066,142
1901	188,073	1,130	6,833	196,036	122,734,040	2,547,904	13,729,087	139,011,031
1902	202,033	1,062	7,837	210,922	128,516,805	2,325,865	14,559,405	145,402,075
1903	205,302	1,004	8,555	214,861	129,616,843	3,232,848	15,267,364	147,117,055
1904	214,372	960	8,890	224,212	133,041,492	2,112,207	15,612,141	150,765,840

The policies dealt with in the preceding table include ordinary life insurance, endowment insurance, and pure endowment. A notable feature of the table is the evidence afforded of the thrift of the people of the State. Over 18 per cent of the total population, including women and children, were insured at the end of 1904 for an average sum of £138 (\$672). Another fact established is that 95 per cent of the policies and 88 per cent of the amount of insurance are in the 11 Australian offices. Over 24 per cent of the policies and 45 per cent of the amount insured is held by one Australian office. The British offices, it will be seen, do but a small business, and that a declining one. All these British companies, however, do not confine themselves solely to life insurance, but do a large fire and marine business. The increase in the business of the American companies is a pleasing feature of the table.

STANDING OF AMERICAN COMPANIES.

The feeling toward American companies is on the whole very friendly, for the people here are open to argument and will give due consideration to the claims of an American company when properly placed before them. There is, naturally, a prejudice in favor of the Australian offices, because they are local institutions and have, moreover, been in business very many years and have thus a hold on the people. But this tendency is gradually becoming less, for the worth of the contracts offered by the American offices is becoming better known and more appreciated by Australians generally. A practical proof of this may be found in the records of one American company in Australia, for the new business in Australasia paid for has been over \$5,000,000 per annum for the last three years, and it therefore ranks third, only two Australian offices writing a larger business than that in Australasia. Australians are ready to take the best contract, no matter by what company offered. The rates charged in Australia by American companies are the same as in the United States and do not differ materially from those charged by Australian offices.

PART II.

SPECIAL FORMS OF INSURANCE.

EUROPE.

The most elaborate system of special insurance in Europe is that of France, where, with the consent and help of the Government, a person is insured against accident, death, sickness, and want in old age, the youngest risk taken being 3 years. Leaving most to the initiative of the individual are the laws of the United Kingdom, where, however, a good system of cheap insurance is carried on under the post-office department, and where a laborer in certain dangerous occupations is guaranteed against accident at the expense of his employer, regardless of the question of negligence. Every other government in Europe insures all or a part of its laboring classes or obliges employers to insure their help. The system most in vogue is that of deducting a certain amount each week from the employee's pay and investing it for him in life, accident, or old-age insurance. The laws quoted under various countries in Part I of this volume apply in many cases also to "special forms of insurance."

AUSTRIA-HUNGARY.

Consul Frederick W. Hossfeld, of Trieste, reports as follows concerning special forms of insurance in Austria-Hungary:

While Austrian companies offer a great variety of insurance, there are, as far as I am able to learn, no special forms or unusual methods of insurance carried on in this district. The Austrian Government does not transact any insurance business beyond administering its public pension fund. The following are the principal features of its pension system:

All Government officials, civil as well as military, may retire on full pay after forty years' service. An officer may, however, be retired on account of some infirmity after a shorter period of service, and in this case he receives an annual pension equal to three-fourths, one-half, or one-fourth of his last annual salary, according to the number of years he has served.

Every state official on the active list must pay 3 per cent of his salary toward maintaining the pension fund, and the state makes up the not inconsiderable deficit.

There are also laws which provide for the insurance of laboring people against enforced idleness, accident, and sickness, but the Government is not directly concerned in the transaction.

So-called fraternal insurance is unknown in Austria, and could probably not be introduced under the existing laws.

BELGIUM.

Consul-General Church Howe, of Antwerp, writes as follows concerning special form of insurance in Belgium:^a

In connection with the working of the Government postal savings bank system and life annuity fund of Belgium, there is a Government insurance, the management of which is under Government guaranty. Life or endowment policies may be contracted for. Endowment policies may be contracted for to be payable at the end of ten, fifteen, twenty, or twenty-five years, or for a period ending at the ages of 55, 60, or 65. To contract an insurance the party must be not less than 21 years of age, and the beneficiary must be 21 years of age at least, and not older than 55. The sum to be insured for the benefit of any one person can not exceed \$1,000. The cessation of the payment of premiums after the first premium has been paid does not invalidate the right to receive benefits in proportion to the amount of premium paid.

On the 24th of December, 1903, a law was passed by the Belgian Parliament providing for compensation for damages incurred by accidents to workmen, whereby it is stipulated that all accidents incurred during the execution of a labor contract are, unless proved to the contrary, presumed as having arisen by reason of the execution of the labor, and give rise to compensation for damages resulting from the same to the workmen. Those industries subjected to this new law comprise all in which there is the slightest element of danger whatever. The owners of factories or contractors are held immediately responsible by the Government, but the law of December 24, 1903, specifies the class of insurance companies in which, and the manner whereby, the parties held responsible by the Government may insure their risks.

FRANCE.

The following report on mutual insurance in France was prepared by Consul J. C. Coverts, of Lyon:

There are at present operating in France 20,000 mutual aid societies, partially or entirely under Government supervision and control, with a membership of 4,000,000.

CHILDREN'S AND OLD-AGE PENSION FUND.

These societies are established under a law of 1856, amended and made more operative by a law of 1898. Their object is to afford assistance to their child members during sickness and to furnish a pension fund for old age, to be drawn upon when 50, 55, or 60 years old, according to the amount deposited or as the beneficiary may elect. The maximum pension is 360 francs (\$69.48).

The children deposit 10 centimes (2 cents) per week, which is divided into two equal parts—1 sou going to the mutuality fund for aid in sickness, the other to the pension fund. This money is depos-

^a A report of Consul-General Howe, entitled "Old-age Pensions in Belgium," was printed in the Daily Consular Reports for June 8, 1905 (No. 2278).

ited in a Government depository, where it is invested in Government bonds and draws $3\frac{1}{2}$ per cent interest. The especial feature of these societies is the aid given them by the Government. For every child who contributes during an entire year the State adds one franc (19.3 cents) to the common fund. It also gives a sum equal to one-fourth of the entire amount deposited by the children.

Every school child is given a "livret," or bank book, upon the cover of which is printed a brief tabulated statement of the pension rate that 1 franc will produce at the age of 55 if deposited in childhood. The table states that if 1 franc is deposited at 3 years of age the depositor may draw 74 centimes (about $14\frac{1}{2}$ cents) annually when he is 55 years of age, and that this sum will be increased in proportion to the number of francs deposited until it reaches the limit of 360 francs (\$69.48) annually. The tables compute the interest on 1 franc deposited when from 3 to 12 years of age, running up to 55 years.

The 1 sou deposited as a reserve capital, which swells the mutuality fund for sickness, does not draw as high a rate of interest as the pension fund. A franc deposited at 3 years of age will yield but 12 sous (12 cents) pension at the age of 55. But the depositor does not part with his reserve capital. He can never possess it again, but if he should die before the age to receive it his next of kin can take the entire accumulations derived from the 1 sou deposited weekly for the reserve fund, and the depositor in the meantime would receive the benefit of it during sickness. This capital is also swelled by national and sometimes communal appropriations as well as by legacies and gifts from other sources.

There is a trust company in Lyon and a number of other cities called the "Caisse des Depots et Consignations," under the immediate direction of the Government, in which these mutual-aid funds are deposited and by whose officers they are invested in Government bonds and other securities approved by the State. These moneys are also loaned to public institutions, such as hospitals, the Government pawn shop, etc.

AIMS OF CHILDREN'S SOCIETIES.

The aims of the children's societies, as set forth in a circular addressed to all the parents of pupils, briefly stated, are:

To aid parents by paying them an indemnity, during the sickness of their children, of 10 cents per day during the first and 5 cents per day during the second and third months of sickness.

To create annual pension funds from the payment of monthly dues, Government appropriations, and donations, which can be enjoyed by all persons after a membership of fifteen years.

To imbue all children at an early age with the elements of economy; to accustom them to the use of a bank book and to the consciousness of having money at work earning something for them and held in reserve for their old age.

To create and maintain a fund called "tresor de l'avenir" (a treasure for the future), the product of which will be exclusively used to provide means of industrial education; to assist the depositors later in life to become members of mutual aid societies, and to aid them in establishing themselves in business.

This society is rapidly spreading throughout France, especially among the working classes, who look upon it as furnishing more substantial relief than the savings banks. The latter are becoming gorged with money. The limit for any depositor originally was 2,000 francs (\$386), but after August, 1903, it was reduced to 1,500 francs (\$289).

WORKINGMEN'S AID SOCIETIES IN FRANCE.

These societies are organized under national laws and are partly sustained by public funds. They are under the immediate supervision of the "Superior Council of Mutual Aid Societies." This council is a part of the interior department of the National Government, and is composed of 36 members, among whom are senators, members of the lower house of Parliament, officers of the financial, agricultural, labor, and commerce ministries, and of the academy of medicine. It is believed in France that these associations will be effective in diverting workingmen from communism and attaching them more closely to the Republic, with which their interests are inseparably involved.

These workingmen's unions are the growth of over a century, and are declared to be the final development of the scheme of "liberty, equality, and fraternity" announced in 1793. Societies of workingmen abounded before the Revolution, but they were abolished because their chiefs used them for their own personal aggrandizement, and they became a part of the despotism against which the Revolution was a protest. The Assembly declared that it was "the duty of the nation and of officials, in its name, to furnish work to the healthy and able-bodied, assistance to the infirm, and education to children." To the end that despotism—civil or religious—might find no secret conclave in which to plot, the Assembly prohibited the organization of all societies and "all groups of workingmen of the same trade." The guilds and various societies in the country at once disappeared. Notwithstanding the rejection of petitions pleading for the permission to organize, 45 societies, composed of many different kinds of tradesmen, were reported before the end of the eighteenth century. In 1806 they numbered 90; in 1821, 124, and in 1830, 387. From 1830 to 1848, by encouragement and pecuniary assistance from the Government, the number rose to 1,100. At the end of the Second Republic, in 1852, they numbered 4,721, with 700,000 active members and 80,000 honorary members. Almost stationary under the Second Empire, new life was imparted to them by the advent of the Third Republic. In 1880 the mutual aid societies numbered 6,500, with 900,000 members; in 1890, 8,000, with 1,200,000; in 1898, 12,000, with 2,000,000 members, and to-day their membership foots up to nearly 4,000,000 members. They have distributed over 700,000,000 francs (\$135,100,000) to their needy members, have on hand over 300,000,000 francs (\$57,900,000), and annually pay pensions to 80,000 aged pensioners.

Mr. Bleton, who presided over a meeting of the associated societies held in Lyon recently, said in his address that these societies "originated in a natural disposition among men to help each other, and were perpetuated by a profound sentiment of fraternity sustained by the National Government." Employers encouraged the movement, became honorary members, and contributed to the treasury. The speaker continued:

A society is the family enlarged. Women influence their husbands and their children to conform strictly to the regulations of the societies. Husband and wife enjoy equal rights in a society, are bound by the same duties, and the dignity of the family is enhanced by its association with the Government, whose officers become, in a measure, its direct financial managers.

FREE AND APPROVED SOCIETIES.

There are two kinds of mutual aid societies in France—free and approved. The first has a legal existence, is empowered to receive gifts and legacies, and is under but one legal restriction, to wit, it can not hold real estate. It does not receive direct assistance from the State.

The approved society is under Government control. The Government appoints its president, but his name is generally proposed by the society. After a first meeting is held, a copy of the by-laws and constitution is deposited with the prefect for approval and remains there as a part of the archives. Any class of citizens—workingmen, clerks, small or large shop keepers, girls or boys—can organize a society and have it approved. It must be proved that its members are able to pay the monthly dues, to give aid in sickness, and to deposit in the Government bank. The money deposited is invested in Government bonds—national, departmental, or communal—which never draw more than 3 per cent interest. Sometimes the premium is so high that the interest is less than this figure; but the Government always appropriates enough to bring the interest up to $4\frac{1}{2}$ per cent, which is left to accumulate for the old-age pension fund. This pension fund has received numerous contributions, the most important being 10,000,000 francs (\$1,930,000) from the estate of the Orleans family, confiscated in 1852. Cities, communes, and departments now and then appropriate a few hundred francs for a local society; employers give aid at times; legacies are bequeathed to the societies, and at the end of every thirty years the unclaimed deposits in the savings banks are turned into the general fund.

The members of these societies may be men, women, and children, from 3 years of age up to 50. A marked increase is noticed of late among the depositors ranging from 3 to 19 years of age. During the year 1898 that class represented 46.75 per cent of the total depositors. There were over 1,200 depositors among the school children of Roubaix and Tourcoing, and they all decided to enter upon the enjoyment of their pension when they reached the age of 55. Nearly half of them were not over 10 years old. They calculated that, whatever might befall them, they could take care of themselves up to 55 years of age and keep up their deposits as a provision for the rest of their lives. Over half the depositors elect to begin living upon their pensions when 55 years old.

During 1898 what are called "collective accounts" represented the largest amount of deposits. These are accounts opened by large business concerns, railroad companies, banks, etc. The Credit Lyonnais, a bank which has branches all over France, made 8,185 deposits for its employees. The Northern Railroad Company deposited a large sum, the product of contributions from all its employees, to which the company added an almost equal amount. The employees of the arsenals, manufactories of arms, foundries, and powder magazines earn about 5 francs (96 cents) per day, and 4 per cent of their wages is withheld every month and deposited as a pension fund.

. VALUE OF OLD-AGE PENSIONS.

In a small circular which is distributed broadcast among the workmen of France is a printed statement of the amount of annual pension which a man can enjoy at the age of 55, 60, or 65 years by a monthly deposit of sums ranging from 1 franc (19.3 cents) up; also how much money must be deposited yearly to yield an income at 50 or 55 of 360 or 1,000 francs (\$69 to \$193). If a father deposits 100 francs (\$19.30) for a child 3 years old it will form a pension at 50, "reserved capital," of 41 francs (\$7.91); "alienated capital," 51 francs (\$9.84). At 60 years it will be 92 and 115 francs (\$17.75 and \$21.92); at 65, 153 and 190 francs (\$26.82 and \$36.67). "Reserved capital" reverts to the heirs if the principal dies before the date for enjoying the pension. "Alienated capital" goes to the general fund at the death of the principal. An economy of 2 sous (2 cents) per day, or 36 francs (\$6.95) per year, for sixteen years yields an income at 50, reserved capital, of 139 francs (\$26.83); alienated capital, 208 francs (\$40.14); at 55, 210 and 219 francs (\$40.53 and \$42.37); at 60, 331 and 509 francs (\$63.88 and \$98.28).

According to a bulletin published by the Government, the deposits made in 1898 numbered 2,284,224, amounting to 44,543,697 francs (\$8,596,930); 91,604 new accounts were opened; 15,323,576 francs (\$2,957,450) were paid to the heirs of depositors in the reserve fund. The grand total of receipts from May 11, 1851, to December 31, 1898, is 1,612,841,576 francs (\$311,278,424). Deposits can be made in every village where there is a post-office or tax collector. No sum less than 1 franc (19.3 cents) is received; but as postage stamps are accepted many people begin by a 1-cent stamp, making the deposit when the savings amount to 20 cents. Not over 500 francs (\$96.50) can be deposited by one person in one year. The pension up to 360 francs (\$69.48) can not be seized for debt. If the pension is the result of a gift it can not be seized for debt, however much it may exceed the 360 francs (\$69.48) limit. If a wife and husband deposit in one account and one of them dies the entire pension passes to the survivor. If an aged pensioner receives but 200 or 300 francs (\$38.60 or \$57.90) per year, he adds to this the franc a day, more or less, that he can earn as porter in an apartment house. The average wages of the porter are 200 francs (\$38.60) per year and the use of two rooms. As people prefer old soldiers, porters are often retired gendarmes, who have an army pension, an old-age pension from the economies, porter's wages, and free rent. The porter at the bank of the Dépôts et Consignations, where all the pension business of Lyon is transacted, is 79 years old. He and his wife have 2,500 francs (\$482.50) per year from pensions, rent free, and they deposit in the savings bank every month. There are 8,000 pensioners enrolled at the bank in Lyon, but the number is destined to grow very rapidly now, as it is made obligatory for employees of mills and factories to lay by from 1 to 2 francs (19.3 to 38.6 cents) per month, this sum being withheld from their wages.

Of the monthly dues paid into the mutual aid societies a small sum is withheld for the assistance of the sick. Those who are out of work for other cause than a strike receive a daily allowance from their society of from 1 to 2 francs (19.3 to 38.6 cents).

ORIGIN OF GOVERNMENT INSURANCE.

The custom of making provision, by Government intervention, for the support of the aged and infirm is a natural outgrowth of French institutions. As a boy can not be drafted into the army if he is the only support of aged parents for more than one year, the maintenance of the defense of the nation exacts that the number of the needy should be made as small as possible. As the Government takes possession of the boy for three years for army service at a time when he might be learning a trade and laying the foundation for a future livelihood, it deems it a duty to intervene in his behalf and aid him in providing for the day of need.

The Government withholds a certain percentage from the salary of army officers against the day when they will be on the retired list. Subordinate officers—lieutenants and captains—are not allowed to get married until they show to the satisfaction of the war department that the wife will bring 1,200 francs (\$231.60) per year to the household. This rule is suspended only to legitimize children. Of the 19,894 francs (\$3,839.54) which constitutes the salary of a general of division, 994 francs (\$191.84) is withheld. But if a general is located in a city like Paris or Lyons, and is the military governor thereof, an important sum is added for his household expenses. The process of laying up a store for old age runs through the army until the private soldier is reached. He receives 6 cents per day for his services, 5 cents of which are withheld for board and lodging, leaving him 1 cent per day for spending money and his bank account, which he often invests in postage stamps.

There are 4,000,000 members of the mutual aid societies now organized in France.

LAWS OF MUTUALITY.

Mutuality has become almost a distinct branch of the political life of France. The laws on the subject, passed during the last twenty years, form a complex code, and they are continually being added to. In the lower house of the French Parliament there is a distinctly marked division or party, called the Groupe Mutualiste, of which Mr. Jules Siegfried is chairman, and which takes upon itself the support, if not the paternity, of all the bills introduced on the subject of the mutual relief and aid of the common classes. The code treats very elaborately of the question of mutual aid societies. I quote its principal features:

Every working man or woman in France is obliged to join a mutual aid association and to deposit 1 per cent of his or her wages up to 2,400 francs (\$463.20) per year. That is to say, if he earns 3,000 or 4,000 francs (\$579 or \$772) per year, which is very rare in France, he will deposit of his earnings only 1 per cent of 2,400 francs of what he earns. His employer and the State will also each deposit as much as each individual workingman deposits. One-fourth of this sum will be devoted to aid in case of sickness, the furnishing of medicines and physician, which will be left to the mutual relief associations which now have organizations all over France. Every workingman or employee entitled to benefit by this act will receive annually from 60 francs (\$11.58) up to 360 francs (\$69.48), according to his deposits. His pension can not exceed 360 francs (\$69.48) per year. The 60 francs (\$11.58) are given by the State as a grant, but in the event of his asking for his pension before the age fixed by law he will not receive the State allowance of 60 francs before he is 60 years of age.

In any commune where there is no mutual aid association the mayor is authorized to call all the insured together and to organize them into a society for their mutual relief in case of sickness. People who can not be received into a mutual aid society on account of their feeble health will be admitted into one of the State societies by a monthly deposit of a small sum. Three-fourths of the sum of money deposited by each insured is set apart for an old-age annuity, for the building of a home, or the purchase of a small piece of land, or it will be devoted to an insurance fund for surviving relatives after his death. The remaining one-fourth is devoted to medical care during sickness.

The insurance service for the relief of old age will be transacted by the National Old Age Annuity Bank.

A workingman who has over 2,400 francs (\$463.20) per year is not obliged to insure against sickness. He may have that quarter of his payment devoted to any form of property or income he pleases. A workingman who has made all his payments will enter into the enjoyment of his annuity upon reaching 60 years of age. If when he is 50 years old he is in great need and proves that he is unable to work and to earn a livelihood, he will receive an annuity in proportion to what he has paid.

The employer will reserve from the wages due his employees the sum to be paid to the State insurance fund and he will pay it into the particular insurance bank that the employee may chose. He will make such deposits every three months.

Societies will be organized in the various communes for the purchase of cheap homes and small parcels of land for workingmen.

The income established by this bill will be exempt from seizure for debt up to the limit of 360 francs (\$69.48).

Every employer who fails to deposit the required sum for his employees is subjected to criminal prosecution and is amenable to a fine of from 50 to 500 francs (\$9.65 to \$96.50). A workingman who has any complaint to make against an employer for the nonexecution of the provisions of this law is entitled to begin a suit in the courts without any expense to himself. Workingmen who have reached the age of 60 years at the date of the promulgation of this law are enabled to enjoy its privileges, provided they establish the fact that they are in need and are worthy of assistance.

PRIVATE AND GOVERNMENT INSURANCE.

A question now exciting considerable discussion is whether the independent mutual aid associations will be permitted to continue to do business in competition with State insurance. The drift of public opinion is to leave the private societies to continue their work as in the past. Some of them—for example, the Society of the Department of the Meuse—have been in operation during a century and have become an important factor in the lives of all the people of the community. As the operations of this society are quoted in the *Journal Officiel* as a fair type of such companies, I give a brief history of it.

SOCIETY OF THE DEPARTMENT OF THE MEUSE.

It was organized in 1805. It is administered by a board of counselors composed of all the members of the council-general of the department, to whom are added seven prominent citizens chosen by the board. It employs a secretary and an assistant secretary and four collectors, who are the only persons paid for their work. This society insures all the property in the department except such property as involves too great a risk. It insures even the smallest and least costly articles, and its operations are therefore very numerous. Workingmen can have a tool insured that is worth only 2 cents and from that sum up. The insurance of any article runs for one year only, but the insured may change his policy at any time during the year by making

a simple application for that purpose to the mayor of the commune. The stamp tax and the registration fee are paid by the bank without recourse to the individual insured, although it all comes from him in the end.

The property of the individuals of the commune is insured in the following manner: Every year, in November or December, the mayor calls the people together by having a man beat a big drum in front of the town hall, and the parish priest announces from his pulpit, stating the day to be insured. On that day three members of the town council visit all the citizens, take a statement of their property to be insured, take their money for the insurance, give them a receipt, and they are thus insured for a year without having made any special valuation or examination of their property. Two statements are made of each piece of property underwritten, one of which is forwarded to the county seat and the other is left with the mayor at the town hall, always at the disposition of the insured. No long policies are drawn up, and but very little expense is attached to the operation.

There have never been any disputes about damages in case of fires. Whenever a fire occurs the mayor and one or two members of the council visit the scene of the fire and adjust the losses. An order for the payment of the damages involved is at once sent to the owner of the property destroyed, and he is paid at the commune nearest to his home. It is said that the rates of insurance in this company are from 30 to 40 per cent less than in the ordinary insurance companies. The rates are said in the *Journal Officiel* to be 25 per cent less than in adjoining departments. This society has a large surplus, which is devoted to public purposes of a charitable nature. Poor, noninsured people are indemnified by this society for a part of the losses they may sustain from fire. The society has purchased fire engines for several of the communes in the department and has granted aid to individuals who were injured in rescuing property from fires. It insures public buildings, churches, and public monuments gratuitously. Nine-tenths of the inhabitants of the Department of the Meuse are insured in this society. It counts 63,000 members and has a surplus of 3,000,000 francs (\$579,000).

Fire, life, and other forms of insurance based upon the same plan as the above are in operation in nearly every department of France. Some of them insure against damages from hail; others insure the cattle against disease.

SPECIAL MUTUAL AID SOCIETIES.

The men and women employed in almost every branch of industry in France have a mutual aid society of their own. When I called at the society of the silk workers of Lyon, I was met at the door of a large, well-stocked pharmacy by a sister of charity, who supposed I called in behalf of some sick member and who stood ready to go and attend to the wants of the sufferer. In the room was a workingman who called to ask for medical attendance and nursing for his wife. He told me that she paid 30 sous (30 cents) a month to the society, and this secured her medical attendance when sick and an income of 200 francs (\$38.60) a year after she had reached the age of 55 years.

He enjoyed the same benefits for 2 francs (38.6 cents) per month, and would receive an income of 300 francs (\$57.90) per year when 55. The society numbers some 12,000 members, women predominating.

On the front of a building in a central business street in Lyon is the sign in large letters, "The Sou par Jour." A sou is a fraction less than 1 cent. The members of this society deposit a sou a day, and thus insure themselves against sickness and partially against the wants of old age. Similar societies have been in operation all over France for over half a century. They seem to be a spontaneous outgrowth of the forethought and economy of the French people. Citizens who have been engaged in organizing and directing such societies for fifty years are in Paris using their influence against the pending law providing for obligatory insurance, on the ground that its tendency will be to destroy individual initiative and that the work of providing for old age and seasons of pecuniary trouble is progressing very well now.

SOCIETY FOR POOR RENTERS.

A society called "Assurance de l'Abri" was organized in Paris in 1901 to protect poor people who are unable to pay their rent. It is carried on principally, if not entirely, by donations, and it has within the last four years prevented 3,784 poor families from being turned into the street for nonpayment of rent. It has received gifts amounting to nearly \$40,000 and has paid rents amounting to \$35,000.

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The following is a list of the more important works on insurance in the French language:

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Badon-Pascal. Analytical and chronological abstract of the contents of the "Journal des assurances." 1 vol.

Baumgartner. Encyclopedia on insurances. 5 vols.

Chaufton. Theoretical and practical studies on insurances. 2 vols.

Clement. Mutual insurances. 1 vol.

Estrangin. Contract of insurance. 1 vol.

Fron. Competency in insurance matters. 1 vol.

Hamon. Dictionary of insurances. 1 vol.

Journal of fire insurances.

Prugne. Theoretical and practical treatise of insurance in general.

Senes. Origins of insurance companies. 1 vol.

Consul Bruno of St. Etienne says that insurance against loss of crops by hailstorms is conducted by a French company. In addition to this there are numerous mutual companies which insure against the illness of persons and the loss of live stock.

GERMANY.

Of special forms of insurance in Germany, Consul-General Frank H. Mason, of Berlin, writes:

SPECIAL FORMS OF PRIVATE INSURANCE.

The 35 companies engaged in burial insurance had issued at the end of 1901 3,942,963 policies, for the amount of 748,300,000 marks (\$178,085,400). The payments in 1901 amounted to 94,300,000 marks (\$22,443,400). The 48 companies for dowry insurance had issued, up to the 31st of December, 1901, 321,982 policies, for the sum of 598,600,000 marks (\$141,199,080), and during the same year 7 companies issued 254,493 policies against military service for 306,700,000 marks (\$72,994,600). The 28 accident insurance companies showed, in the year 1901, a total receipt in premiums and fees of 48,600,000 marks (\$11,566,800) against payments for losses amounting to 15,900,000 marks (\$3,874,200).

The insurance of live stock and crops against damage by hail is mainly carried on by cooperative associations, and more than 6,500 societies for the insurance of live stock exist in the German Empire. In the year 1901, 961,400,000 marks (\$228,813,200) worth of property was insured against hail, the premiums amounting to 9,100,000 marks (\$2,165,000). The total claims paid amounted to 5,800,000 marks (\$1,280,400).

A number of other branches of insurance have lately been created in Germany, among them insurance against burglary. In the year 1901, nineteen companies undertook this branch of insurance, their premium receipts amounting to 2,500,000 marks (\$595,000) and their payments for claims to 342,000 marks (\$81,396).

Two companies, with aggregate capital amounting to 2,000,000 marks (\$476,000), insure policy holders against damage occasioned by the leakage or breaking of water pipes, but exact statistics of their operations are not obtainable.

GOVERNMENT INSURANCE.

The imperial message of November 17, 1881, gave the impetus to German imperial legislation in making provisions for workmen in the Fatherland. It was Bismarck, however, that inspired the whole scheme. It was his idea that superannuated workmen should not be compelled to ask alms as paupers, but should demand such assistance from the State as their right. It remained for the edict of the present Emperor, dated February 4, 1890, however to consummate the plan.

COMPULSORY INSURANCE.

Compulsory insurance is limited to wage-earners and petty officials, whose salaries do not exceed 2,000 marks (\$476) per annum. Others are permitted to participate in this compulsory insurance. Every insured person has a legal claim to legally defined assistance. In-

insurance against sickness in the case of persons employed in commerce and trade is regulated by the law of June 15, 1883, and its supplements of April 10, 1892, and May 25, 1893. Insurance of persons engaged in agriculture and forestry has been left in the hands of the various districts or States.

The minimum relief in case of sickness is free medical treatment and medicine for twenty-six weeks, and in case of incapacity for work, pecuniary assistance up to half of the average daily wages, or free treatment in hospital, besides one-half the above-mentioned allowance for those dependent on the sick person. Women are entitled to relief for six weeks after their confinement, and, in case of death, burial money amounting to twenty times their average daily wages. The contributions are collected weekly and are not allowed to exceed 4 per cent of the average wages, two-thirds of which is borne by the insured and one-third by the employer. The administration is in the hands of sick clubs, whose presiding officers are chosen from the insured and the employers in proportion to the contributions. The insurance against sickness, inclusive of the miners' clubs, comprises about 10,000,000 persons, in more than 20,000 clubs, with an annual expenditure of about 200,000,000 marks (\$47,600,000).

Insurance against accidents insures the person injured against casual accidents incurred through his own or others' carelessness. The personal liability of the employer is borne by the entire trade, apportioned to the several establishments according to their risk. Accident insurance was extended to traffic and transport establishments, agriculture, forestry, the building industry, and navigation, by the laws dated May 28, 1885, May 5, 1886, July 11 and 13, 1887, while the inclusion of trade, handicraft, and small factories did not take place until the revision of this law, October 1, 1900, and the enactment of the law of June 30, 1900.

The insurance is carried on under guaranty of the Government on the reciprocal system of employers united into trade associations. The minimum indemnity against accident comprises (1) in the case of wounded persons (from the beginning of the fourteenth week after the accident, as a supplement to the sickness insurance) the expenses of medical treatment, and an allowance while incapable of working up to 66 $\frac{2}{3}$ per cent of the annual earnings, or free nursing until no further medical treatment is required, and the same allowance to those dependent on the injured person as in case of death; (2) in case of death, funeral money amounting to the fifteenth part of the annual salary, but in no case less than 50 marks (\$11.90), and for the dependents 60 per cent of the annual wages for widow and children and 20 per cent for parents in need. Indemnifications are determined by the trades associations, whose decision can be appealed against within a month to a court of arbitration, in which employer and employed are equally represented, and final recourse may be had to the imperial insurance department.

Insurance against invalidity and old age was finally settled by the insurance law of July 13, 1899. The State gives a guaranty, and the expenses of administration are shared equally by the employer and the employee. Those incapable of work receive pensions regard-

less of age, and those over 70 years old receive pensions without regard to their ability to work.

FRATERNAL INSURANCE.

According to Dr. George Zacher's treatise on insurance matters (an eminent authority on the subject, being president of the senate in the imperial insurance department), a great number of voluntary religious associations now occupy themselves with insurance, such as the Protestant Union, the Gustav Adolf Society, the Evangelic League, the German Catholic Diet, the Bonifacius Society, the Society for Missionary Work at Home and Abroad, and numerous associations of different religious societies, as well as such private societies as the Diet of German Jurists, the Law Society, various scientific societies of medical men, naturalists, geographers, historians, philologists, engineers, and political and social economists. A second group is formed by societies of a patriotic character, for instance, the "Krieger-Vereine," the German-Colonial Society, the Pan-German League, the Ost-Marken Verein, the various societies for preserving German nationality and customs, the Society for the Preservation of the German Language, the Schools Union, and the Navy League. The third class are the social clubs and societies formed chiefly for the recreation and amusement of the various ranks of society, such as the Union of Shopkeepers and Seafaring Men, the associations of artists and students, and shooting guilds, gymnastic clubs, singing societies, sporting, cycling, and card-playing clubs. Among the lodges of charity the most important are the Order of St. John, the Red Cross Society, and the Women of the Fatherland Aid Society, their main object being the prompt relief of temporary necessity.

Among the women's societies, the largest are the League of German Women's Association, embracing 159 societies, and the League of Societies for Women's Progress. Associations in the liberal and learned professions which look after and insure the members of their profession who are unable to work and provide for their widows and children, exist in many professions, for example, the various German authors' societies, associations of journalists, musical societies, the German Stage Union, the Stage Association, the Artists' League, various arts and crafts societies, societies for the relief of teachers, and societies for female teachers.

YEARBOOK OF INSURANCE.

There is transmitted with this report a copy of Neumann's Yearbook of Insurance Statistics in the German Empire for 1905.^a This is a standard work of reference and contains the business statement for the fiscal year 1903, as compared with 1902, of every life, annuity, accident and employers' liability insurance company doing business in Germany. To an actuary or other insurance expert who is in search of official statistics of business done, this work will cover materially the whole field of inquiry, except fire and marine insurance.

^a On file in the Bureau of Manufactures, Department of Commerce and Labor.

BAVARIAN GOVERNMENT INSURANCE.

Consul William Bardel, of Bamberg, reports as follows concerning the laws of Bavaria in regard to special forms of insurance:

FIRE, CROP, AND CATTLE RISKS.

The Bavarian government transacts a regular fire insurance business. So far as real estate is concerned, insurers must do business with the government. Outside insurance by regular companies is so restricted that not more than about one-eighth of all the fire insurance is written by them. Fire insurance, thus conducted by the government, is cheap, cheaper than that by regular companies, and still it is said to bring good revenue to the State. The Bavarian government also insures against loss by hail, and loss of cattle or horses. These latter insurances are open to competition, but it seems the government gets the principal share of the business.

WORKINGMEN'S INSURANCE.

Compulsory laws for insurance have been passed by the German Reichstag for the benefit of the working classes.

The first law, passed in 1893, compels every workingman and every working woman to insure against sickness. Each community has an insurance fund of its own against sickness. This fund is handled by a board of managers elected by the insured, which board again is under the supervision and control of the government. The cost of this insurance is paid two-thirds by the insured and one-third by the employer, at least that is what the law prescribes; the fact is, however, that many deviations from this ordinance are made for the benefit of the insured. In case of sickness the insured have free access to hospitals or free medical aid and medicine at home. The second law compels the employers of working men or women doing certain hazardous work to insure their employees against accident, the premium to be paid entirely by the employer. The price of this insurance varies in proportion to the yearly wages a workingman gets. The third law, passed July 13, 1899, is a compulsory insurance against total disability to work, on account of sickness, accident, or old age. This law applies to all workingmen or other employees whose yearly salary does not exceed \$476. It is called the invalid and pension law. The means for the maintenance of this insurance are collected in the shape of dues, which are graduated into five classes, according to the amount of total annual wages received by the insured. These dues, as a rule, are payable half by employers and half by employees. The State contributes \$11.90 to each annual pension allowed. The business of this insurance also is conducted by its own members under the guidance of the government.

In order to simplify the working and to reduce running expenses it is contemplated to amalgamate these three branches of insurance into one. But for the difference of the responsibility of the employers in the different branches this would have been done before, but it is hoped that at some near date the Reichstag will find a way to bring them all under one head. These compulsory laws to insure the laboring and working classes appear to be a wise precaution to

prevent misery. It is really astonishing how few of the better classes in this country ever avail themselves of the benefits of life insurance. Were it left to the option of the working classes to insure it is very doubtful if any of them would get insurance.

There may be some fraternal insurance in other parts of Germany, but there does not seem to be any here. The mechanic and laboring man has all he can do and more to keep up these compulsory policies, and could therefore not think of joining such associations even if they existed.

PECULIAR FORMS OF INSURANCE IN PRUSSIA.

Consul F. S. Hannah reports as follows concerning special forms of insurance in Prussia:

Of the special forms of insurance carried on in this district many are in existence in the United States. Some, however, may be worthy of special mention, such as the insurance on the endowment plan for the purchase of a bridal outfit, also for burial expenses. I find here also insurance against burglary in a general way, as well as the special insurance of valuables in safes and safety-deposit vaults; insurance against damage by hail and storm, sickness and death of cattle and horses, glass insurance, transport insurance, frozen water pipes, and payment for loss of time occasioned by compulsory military service. Two of these, viz, bridal outfits and burial expenses, follow the plan of endowment insurance on a small scale. For example, a father desiring to give to his daughter a bridal outfit worth 1,000 marks (\$238) when she shall have reached the age of 21 years, pays an annual premium of 35.90 marks (\$8.55). In case of her death before the completion of the period the policy may be transferred to another child or some other member of the family. According to the universal custom of this country a dowry corresponding to the position of the party is essential; therefore this plan of comparatively easy payments makes it possible for the poorer classes to set aside the requisite amount.

Burial insurance is run more on the plan of limited or ordinary life insurance. A person may pay a stipulated sum during his entire lifetime, thereby insuring the payment of a certain sum for burial expenses, or, on the plan of limited life, by slightly increased yearly payments at the end of twenty-five, thirty, or thirty-five years, payments taking the form of a paid-up policy.

A form of burglar insurance which has recently received a great deal of attention is the insurance of jewels, stocks, money, and so forth, contained in safes, deposit vaults, either in business houses, banks, or private homes. The rates are very low, and as an extra precaution the plan is worthy of attention, when one takes into consideration some of the recent discoveries in the chemical world; for instance, the discovery by Dr. Hans Goldschmidt, of Essen, of thermit, a powder which in its natural state may be transported with comparative ease, yet with the addition of magnesium produces in a few moments a temperature capable of melting the hardest steel.

Glass insurance is conducted very much the same as in the United States, including not only plate-glass show windows in stores and in process of transportation, but also the protection of fine glassware, looking-glasses, rare pieces of art, and bric-a-brac.

Insurance against damage by hail is very common here. Rates are based on the size of the field, value of the anticipated crop, and other individual conditions, and are quoted after an investigation by appraisers from the company. The rate of the premium is very low compared with the amount of damage that might occur. For the poor farmer, whose existence is absolutely dependent upon his small crop this is a form of protection of which he gladly avails himself.

Another form of special liability insurance is insurance against accident, caused by attacks of animals, injuries by automobilism, or runaway horses, indemnifying the owner against suits for accidents of this character. This is necessary for Germany, where the law holds the owner responsible for damages in all cases where injuries are inflicted by any machine or animal in his possession.

Cattle, horses, and hogs are insured against sickness and accident in three different classes. The higher rates (A) paying 75 per cent of the loss, the second (B) paying, under certain conditions, 65 per cent of the loss, and the lowest (C) 55 per cent, with several restrictions as to cause of death and sickness. The companies as a rule are run on the mutual plan, and, while the system is very complicated in itself, the general effect is an equal distribution of profits after the losses have been adjusted and paid. The premium rates in Table A are comparatively high and stationary; those in Table B are lower, but subject to advancement for the year following a loss; those in Table C are the lowest, the protection being correspondingly low. However, after one or two years free from loss the protection is advanced 10 per cent and 20 per cent, respectively.

Articles of organization and a premium tariff of one of the leading companies are sent as Exhibits G and H.^a

FRATERNAL INSURANCE.

The Masonic order, Odd Fellows, Good Templars, and others of similar character are represented in this city by eleven lodges, having practically the same laws and by-laws and form of organization and insurance as the same fraternities in the United States. Fraternal or friendly societies playing such an important part in the insurance field in the United States have their counterpart here in organizations known as "Vereine," each separate body of workers being banded together for protection, to pay sick benefits, accident indemnity, and death losses. These organizations partake somewhat of the nature of trades unions, and somewhat of the nature of fraternal societies, as we know them, yet they are not exactly similar to either.

In this city there are 12 heads of accident insurance for the several branches of trade and 28 local sick funds run in accordance with the *Krankenversicherungsgesetz*. Of the *Innungs-Krankenkassen* there are 44 branches. In addition there are 7 sick funds for officials and members of certain classes, such as post-office officials and employees, civil engineers, etc. There are also 28 burial associations, some partaking of the character of private insurance companies, others being restricted to the members of certain trades. Finally, there are 10 special associations for the widows and orphans of deceased members of various professions.

^a On file in the Bureau of Manufactures, Department of Commerce and Labor.

GREECE.

Consul George Horton, of Athens, reports as follows:

A Government pension fund for the public officials is maintained from proceeds of contributions levied on salaries. The first month's salary of a newly appointed official is taken for the benefit of the fund, and thereafter he is obliged to surrender $7\frac{1}{2}$ per cent of his pay for the same purpose. Pensions are reckoned on the highest salary received after fifteen years of service, but an official must serve nineteen years and seven months. After twenty years of continuous service the pension is augmented at the rate of 2 per cent for each additional year. The widow of a deceased pensioner, if she have minor children, is entitled to three-fourths of his pension; in all other cases one-half.

The Government conducts a sort of accident insurance bureau for the relief of miners, who are obliged to pay into the general treasury 10 per cent of their wages. If any miner is injured while in the discharge of his duty, through neglect of the company, he is entitled to half pay, if his incapacity to return to work lasts more than four days. If said incapacity continues for more than three months then the proprietor of the mine must make to the injured laborer weekly payments of half wages. If the incapacity lasts for life the proprietor must pay the injured man one-half of his wages, while he receives the other half from the "relief fund," approved by royal decree of May 31, 1882.

The different trades of Athens, such as the butchers, the grocers, the barbers, the merchant clerks, have unions, the members of which make regular contributions to a general fund, which is employed for the relief of the sick or injured.

ITALY.

Of special forms of insurance in Italy, Consul-General Hector de Castro, of Rome, writes:

The Italian Government does not insure. It has, however, initiated and encouraged social insurances by having created the "Cassa Nazionale contro gl'infortuni sul lavoro" (for the protection of workmen meeting with accidents or death while at work). This insurance is compulsory upon corporations employing labor. The Government also approves the "Cassa Nazionale di previdenza per la Invalidita e la Vecchiaia degli operai" (for the benefit of incapacitated or aged working people), which is voluntary. Laws are in preparation for the insurance of workmen in case of sickness, and for working women in maternity.

The mutual-aid societies do not really insure. They only provide for assistance in case of sickness, inability to work, or age, and assist the families of deceased members.

The mutual-aid societies, recognized in Italy December 31, 1902, numbered 1,359, with a membership of 227,895 and a capital of 23,730,606 lire (\$4,580,007); capital per capita, 104.12 lire (\$20.10), and average capital for each society of 18,510.91 lire (\$3,574.19).

Should mutual-aid societies desire to insure in any form authorized by their act of incorporation, they would be subjected to the law of April, 1887, which determines their scope, obligations, and exemption from taxation.

CATTLE INSURANCE IN FLORENCE.

Consul F. B. Keene, of Florence, reports that the only special method of insurance in his district is for meats on the hoof and butchered. Before entering the abattoir cattle and swine are insured against damages due to diseases. After they are slaughtered and have undergone a sanitary examination, the full amount of insurance is paid should any disease be discovered that makes the meat unwholesome for food. The company is called "Europa," authorized by a decree of the Florence court February 19, 1901. There is neither flood nor strike insurance.

Fraternal insurance or insurance by friendly societies in the district is very limited, if it exists.

Lifetime annuities stipulated in foreign countries by a private policy, whenever concerning persons domiciled in the Kingdom, must be recorded in Italy within two months from stipulation in Europe, or within six months if made in non-European countries.

NORWAY.

The following information concerning special forms of insurance (Government insurance) in Norway is from Consul E. S. Cunningham, of Bergen:

GOVERNMENT INSURANCE.

The Government itself transacts insurance against accidents for workmen employed in factories and trades wherein mechanical power is used. The insurance is permitted under a bill of July 23, 1894. All workmen employed in such manufactories, as well as in mines, quarries, ice-cutting or sawing, manufacturing of explosives, building of houses, ships, iron ways, roads, bridges, docks, quays, canals, sluices, draining, gas and water pipes, and electric works, are insured. Men working on canals, sluices, floating of timber, in iron, on tramways, and in the loading and unloading of merchandise are subjected to the same conditions, as are divers, salvage men, and firemen. The premiums must be paid by the employer, who has no right to assess it against the workmen. The administration is paid by the Government. The workmen are paid up to 60 per cent of their income; in case of total disability not less than 150 kroner (\$40) a year; in case of death a life pension for the widow, or widower if the wife was the bread earner, of 20 per cent of the income, and for each child under 15 years, until that age, 15 per cent. If both parents are killed by accident and have been insured, 15 per cent of the income of each is paid to the children.

The owners of manufactories are required under heavy penalty to keep their books in such manner that every man's wages can be ascertained. The insurance can in some cases also give the grandchildren

a pension, but no more together than 20 per cent of the income of the deceased. The insurance does not pay the widow, children, or grandchildren of the deceased any pension if he was a foreigner and the beneficiaries are not living in the country. The income on which calculation is made is the income of the year preceding death. The premium is calculated upon the risk incurred in each kind of work and the manufactories are divided in different classes of danger. In 1897 some amendments were made to this law, but the plan is unchanged, as the amendments were simply a classification of risks. This insurance is compulsory, and no plant coming under the law can be exempted where the number of hands employed at one time amounts to ten. This affords the workingman an insurance against all accidents, and it is intended that his wages shall not suffer on account of the premiums. The operator often endeavors to keep the number of hands employed below ten to avoid payment of the premium.

The Government conducts several kinds of pensions on principles not unlike those of other European countries. Under the law of 1876 certain Government employees were required to contribute so much toward the pension fund. In 1893 the law was extended so as to include almost, if not all, who have royal commissions or are employed by the Government in any capacity under civil-service rules. Thus the Government guarantees to every one of its employees a disability or age pension against which each is required to contribute a certain fixed sum of his wages. The amount contributed is governed by age, salary, and length of service. The idea is the same as is found in several European countries. In addition, all married employees are, under the law of 1895, required to contribute to the widows' fund, which under Government guaranty provides a pension for the widow of a Government employee and his children under 18 years of age. These pensions for widows may be either, at the option of the contributor, an annuity or an insurance on the life of the insured, to be paid in a lump sum. The amount contributed varies greatly, but in no instance is it to be more than 1,000 kroner (\$268) per annum.

FRATERNAL INSURANCE.

One well-known American fraternal society has some chapters here in which its members secure benefits to their estate at their death. Excepting this there is no fraternal organization in Norway in which insurance is a feature.

PROVISION FOR OLD AGE.

Consul-General Henry Bordewich, of Christiania, contributes the following additional information relative to other special forms of insurance in Norway:

Norway has only one bonding company, Det norske Garantiselskab, of Christiania. This company has lately entered into contract with the Christiania municipality, under which bonding for all city officials is undertaken for a premium of one-half of 1 per cent of the amount of the security.

Life insurance is not as general in Norway as in some other countries. One reason for this is the ancient system of retaining life support for a freeholder and his wife when he sells his homestead, which provisions enter as a clause in the deed. Another reason is a pension system for Government officeholders and their nearest kin. A pension fund is maintained, in the case of the judiciary, clergy, and higher militia, by compulsory payments by the several officeholders themselves, while in active service, of a certain portion of their salaries into the fund. At retirement on account of old age they, or after death their surviving nearest of kin, reap the benefit in shape of pensions, graded like the assessments in accordance with the importance of the different positions held. Pensions are also in the same manner provided for teachers, railroad men, and employees of the communes, to some extent also for laborers; in short, for all who have held permanent positions under the Government or a municipality. Homes for the aged of different classes of society are provided in many places. Several of these institutions are very old. They have been founded, as a rule, by legacies, and are maintained in the same manner and by appropriations.

RUSSIA.

The following information on special forms of insurance in Russia is from the report of Consul T. E. Heenan, of Odessa:

PENSION AND RELIEF FUNDS.

There are in Russia a large number of public and Government institutions which are merely pension funds instituted upon strictly scientific insurance principles. They include the pension funds of the employees on the State and private railways. January 1, 1897, the funds of the employees of private railways had about 75,000 participating members. In 1896 the funds of the employees of the State railways showed receipts amounting to 3,700,000 rubles (\$1,905,000) and expenses amounting to 56,000 rubles (\$28,840). January 1, 1897, the capital of this fund reached 9,900,000 rubles (\$5,098,500), and the number of persons insured was 95,000. At present this fund is permitted to insure the lives of persons engaged in the construction and the working of the lines of the State railways.

Besides these funds, there are the so-called "emeritus" insurance funds, the standing of which is given in the following table:

Emeritus insurance funds.

Class.	Capital.	
	Rubles.	Dollars.
Army	111,600,000	57,474,000
Teachers and schoolmasters	1,200,000	618,000
Engineers of ways and communications	3,900,000	2,008,500
Persons serving under the ministry of justice	18,000,000	9,270,000
Jewish retiring pension fund	94,000	48,400
Fund of the Alexander committee for the wounded	32,300,000	16,634,500
Emerital fund of the Kingdom of Poland	3,300,000	1,690,500

The pension funds of certain zemstvos are likewise of the emeritus character. The relief funds of the friendly mining associations which are in operation at the Domain mining works, the brethren's cash fund established for the Domain mining works in Poland, and, lastly, the pension funds existing at some of the private enterprises and operating by virtue of special statutes, belong to the category of insurance enterprises which insure to those participating in these pension funds not only pensions at the end of a certain number of years of service, but also in case of inability to work on account of accident. By the law of June 13, 1897, these funds can only be started on the rules provided by that law. Burial societies which furnish small sums to provide for the funerals of deceased members are also numerous.

ACCIDENT INSURANCE.

There are two categories of accident insurance: (a) Collective insurance of employees, particularly of workmen, against the accidents which have happened in the service or during work, and (b) the insurance of any other person against all kinds of accidents. This last class of insurance is not widespread, and does not exceed 4 per cent of the transactions of this nature. Accident insurance is carried on by the pension funds which have been mentioned, by large mutual insurance societies formed by a combination of the main industries of certain industrial regions, and principally by the shareholding companies. In 1896 five of these shareholding companies effected accident insurance on 285,000 persons for a capital of 487,000,000 rubles (\$250,805,000). At the end of the year the reserve premiums reached the sum of 300,000 rubles (\$154,500).

GLASS, BURGLARY, CATTLE, AND STORM RISKS.

Until 1899 only one company, the "Pomoshch," insured window glass. This company collected, during the period 1892-1895, 243,000 rubles (\$125,145) premiums and paid 82 rubles (\$42.23) for broken window panes. Since 1899 the "Russia" likewise insures window glass.

In 1899 the "Pomoshch" inaugurated a branch of insurance against theft with housebreaking.

Insurance of neat cattle and horses is also carried on in Russia by the Zemstvos under two forms, obligatory against the principal epizootics (in the Province of Orel) and optional against all cases of mortality in 12 provinces, among which figures likewise the Province of Orel, where the Zemstvo administration collects a supplementary premium in addition to the obligatory premium against the principal diseases. The operations of the Zemstvos in this branch, however, are not of much importance.

The mutual insurance companies insure against hail. One of them, the Moscow Society of Mutual Insurance Against Hail, extends its operations to the whole Empire; two other societies, the Courland and the Livland, only operate within their own respective provinces, and the Matishu Beedriba and the Mahlpils Beedriba only in their respective districts. In 1894 all the societies of this character combined collected 114,000 rubles (\$58,710) and paid 97,000 rubles (\$49,955) damages.

VINE INSURANCE.

The insurance of vines against phylloxera is confined to the province of Bessarabia, and is made obligatory by the Zemstvo on all owners having a certain number of vines.

SPAIN.

Concerning special forms of insurance in Spain, Consul D. R. Birch, of Malaga, writes:

No unusual forms of insurance are carried on in this country, the only class containing anything special being insurance against accidents while at work, in which the collective insurance or protection is given to all employees of a factory, the proprietor paying a minimum of premium and receiving a maximum of benefit wherewith to cover the sick fees, medical fees, and burial fees levied by the law on him in case of the injury or death of an employee while working in his establishment. The Spanish Government transacts no form of insurance, simply obliging the employers to cover the accident and death losses of employees while in their services. The fraternal insurance carried on in Spain is that of the trades and labor union societies, the system being identical with that of the United States.

SWEDEN.

Consul-General E. L. Adams, of Stockholm, supplies the following information relative to special forms of insurance in Sweden:

The Government transacts no insurance business (except workmen's accident insurance, through the Riksforsakringsanstalten), but all the Government employees, both military and civil, are entitled to pensions upon reaching a certain age, or in case of premature death their widows and children receive pensions. Annual contributions are exacted from the salaries. Some Government offices have their own pension funds in addition.

There are hundreds of cooperative friendly associations for giving assistance to their members in case of sickness and for interment, but they are not under any official control, and no complete statistics are gathered. Also in the fire and live stock insurance field there is a large number of mutual societies operating inside separate provinces or even separate parishes.

ACCIDENT, DEATH, AND OLD-AGE INSURANCE.

Consul Robert S. S. Bergh, of Gothenburg, transmits the following covering special forms of insurance in Sweden:

Of the domestic companies engaged in insurance against accidents in 1903 five were stock companies and three mutual. Their contracts at the end of the year covered 106,779 policies, amounting in all to \$105,779,238 gross and \$90,819,875 net. Their insurances for individuals increased, but the number of common collective insurances decreased, by reason of the law concerning accident insurance of laborers and factory hands while at work. These companies had, with reference to said law, 7,012 contracts, insuring 164,388 persons.

The foreign accident insurance companies operating in Sweden were eleven and included Danish, German, Swiss, English, and Austrian companies. These foreign companies had 773 subagencies in this country. The insurances at the end of the year covered 15,101 persons and amounted to \$28,042,818. Some of the companies named also grant other kinds of insurances, such as insurances against theft, burglary, combined insurances against diseases and accidents, and trust and guaranty insurances.

There is a law which, to a certain extent, has influence on the volume of the insurance business—that is, the law concerning damages for injuries sustained by accident while an employee is at work. According to this law certain employers are, under certain conditions, compelled to pay compensation to employees injured. On this account many employers prefer to insure their workmen by paying premiums to some of the common accident insurance companies.

The Riksdag has also voted certain sums of money intended, when increased sufficiently, as funds for general insurance of all the inhabitants who in old age or sickness may need annuities.

Associations for the assistance of members during sickness may be registered, and may then, under certain circumstances, receive pecuniary assistance from the Government, according to the law of October 30, 1891 ("Lag om Sjukkasor"). There is also a number of small fraternal insurance associations, but I have no statistics as to their members or economic standing. They usually collect a certain sum from each member whenever a member of the association or society has died. They are not so popular as the regular insurance stock companies or mutual companies.

The tariffs vary and even some of the Swedish stock companies let the policy holders share the dividends, reserving only a certain sum (fixed as low as possible) yearly to the guarantors or founders of the company.

OTHER FORMS OF INSURANCE.

Six Swedish and three German companies were engaged in glass insurance in Sweden in 1903. Insurance against theft and burglary was carried on by three Swedish and two German companies. At the end of the year the two German companies had Swedish insurances amounting to \$775,990, and the Swedish companies had contracts covering \$13,826,765, but this latter sum is too large because it includes also other kinds of insurance. A German company also granted insurances against waterworks damages.

SWITZERLAND.

Consul H. H. Morgan, of Lucerne, transmits the following report on special forms of insurance in Switzerland:

ACCIDENT INSURANCE.

Premiums received for accident insurance by all companies operating in Switzerland during the year 1902 amount to \$2,126,215, divided as follows: Swiss, \$1,855,590; German, \$66,278; French,

\$197,470; Italian, \$6,877. Policies paid for accident insurance by all companies during the same period amounted to \$1,456,732, divided as follows: Swiss, \$1,277,147; German, \$28,929; French, \$147,125; Italian, \$3,531.

All manufacturers in Switzerland are compelled under the law to take out accident insurance policies for their employees. Many of the larger manufacturers have their own insurance department.

Premiums received by various companies on transportation insurance in 1902 amounted to \$359,940, viz, Swiss, \$324,209; German, \$27,853; English, \$7,878. Policies paid amounted to \$139,721, viz, Swiss, \$117,052; German, \$22,536; English, \$133.

There are two companies—one Swiss and one French—operating in Switzerland in insurance against damage by water conduits. The Swiss company (L'Union suisse) insures against the destruction of water pipes through freezing; the damage caused by the rupture of dams; the responsibility of the landlord to his tenants for the destruction of merchandise, furniture, or household effects; indemnities which the insured may have to pay to his neighbors for damage caused by bursting pipes to building, merchandise, or furniture; bank bills, values, or bonds of whatever nature; manuscripts and rare and valuable articles, and generally any damage which may be caused by water. The French company (L'Assurance Générale des Eaux, of Lyon) takes practically the same risks as the Swiss company, except that it will not insure against the destruction of bank bills, shares, or bonds, commercial effects, parchments or documents of whatever nature.

FRATERNAL INSURANCE.

The Allgemeinen Arbeiter-Krankenkasse of the city of Lucerne, which has been in existence for the past seventy-two years, is a fraternal insurance association. Societies similar to this one are in existence in almost every city in Switzerland. Every workingman is compelled by law to become a member thereof, unless he can show that he is a member of a similar society of another town. Each member is compelled to pay an entrance fee of 20 cents and dues 20 cents per month. Merchants and others, who have not reached the age of 30 years, may also join the society by paying an entrance fee of 40 cents; from 30 to 35 years a fee of \$1 is charged; from 35 to 40, \$2. After the fortieth year they are not admitted. In addition to the entrance fee, they must also pay a monthly subscription of 20 cents. In case of a slight accident, which prevents a member from working, he is paid by the society 20 cents per day until the disability is removed, provided such disability is not caused through a brawl or through drunkenness. In case of sickness which necessitates the confinement of a member to his bed, he is allowed 36 cents per day or is sent to the hospital, where the cost of his treatment is paid by the society. In no case will the society pay to a member the 20 cents or 36 cents above referred to for a longer period than three months. At the expiration of three months a member is not allowed to appeal to the society until eight months have elapsed. Upon the death of a member the society contributes \$4 toward the expenses of his burial.

From the annual statement of the society, which I have before me,

it appears that during the last year they received in dues \$2,625 and paid out to 374 members for assistance on account of sickness or accident \$2,346 and on account of members who were treated at the hospital \$340.

UNITED KINGDOM.

The following report on the special forms of insurance in the United Kingdom formed part of the general report of Consul Fleming, of Edinburgh:

FRIENDLY SOCIETIES.

Friendly societies are defined by law as societies formed for the purpose of providing by voluntary subscription of the members, with or without the aid of donations, for:

(1) The relief or maintenance of the members, their husbands, wives, children, fathers, mothers, brothers or sisters, nephews or nieces, or wards being orphans, during sickness or other infirmity, whether bodily or mental, in old age (which means any age after 50), or in widowhood, or for the relief or maintenance of the orphan children of members during minority; or (2) insuring money to be paid on the death of a member's child or on the death of a member, or for the funeral expenses of the husband, wife, or child of a member, or of the widow of a deceased member; or (3) the relief or maintenance of the members when on travel in search of employment, or when in distressed circumstances, or in case of shipwreck or loss or damage of or to boats or nets; or (4) the endowment of members or nominees of members at any age; or (5) the assurance against loss by fire, to any amount not exceeding £15 (\$73), of the tools or implements of the trade or calling of the members.

The majority of societies insure only sick, and pay a sum at death. To prevent persons of ample means from taking advantage of the privileges extended to these societies it is provided that no gross sum shall be insured exceeding £200 (\$973.30) and no annuity exceeding £50 (\$243.33), and that the exemption from income tax shall not apply to a society that assures annuities exceeding £30 (\$146).

The term "industrial insurance" is commonly used to designate the insurance feature of all friendly societies, as well as insurance by companies that grant a less sum than £20 (\$97.33) on any one life; but properly it refers only to the latter. The registered friendly societies operate under the new friendly societies act, 1896, and are also subject to the provisions of the collecting societies and industrial insurance companies act, 1896, which applies to all so-called collecting (burial) societies, whether registered or unregistered, and to all industrial insurance companies receiving contributions or premiums gathered by collectors on a similar plan, at a greater distance than 10 miles from the head office. This act provides that every member or person insured is to have a copy of the rules and a printed and signed policy, at a cost not exceeding 1 penny (2 cents) for each; that before the society can take advantage of any forfeiture for nonpayment of contributions it must give fourteen days' notice to the member and allow him the opportunity of paying the amount; that a member is not to be handed over from one society to another without his written consent; that notice is to be given to the members of general meetings and of any proposed amendment of rules; that the balance sheets are

to be open for inspection during seven days before the annual meeting is held, and are to be certified by a professional accountant, as well as by the auditors; that disputes may be settled by the county court or the magistrate of the place where the member or claimant lives; that collectors are not to hold office on the committee of management, or vote, or take part in the proceedings of meetings, and that all these provisions of the act are to be set forth in the rules of the societies.

INSURANCE OF CHILDREN.

To guard against the danger of grave consequences arising from the insurance of children, the statute contains the following provisions as to the payments on the death of children under 10 years of age:

(1) The money is not to be paid to anybody but the parent or the personal representative of the parent who survived; (2) the sum to be assured or paid on the death of a child under 5 years of age is not to exceed £6 (\$29.20); (3) on the death of a child between 5 and 10, £10 (\$48.67) may be issued; (4) where the child is insured in more than one office, the total insurance must not exceed these limits; (5) no payment is to be made except upon production of a special certificate from the registrar of deaths; (6) the registrar is to state in the certificate the name of the society to which it is to be produced and the amount of the claim said to be due from it; (7) where he grants more than one certificate he shall number them consecutively, and the total amount of the claim for which he issues them is not to exceed the limits; (8) he must not issue a certificate unless the cause of death is medically certified or other satisfactory evidence of the cause is furnished; (9) the society must inquire what sums have been paid by other societies when the certificate does not purport to be the first.

GOVERNMENT SUPERVISION.

There is a provision for the inspection of a society's affairs. Upon application of one-fifth of the members of a registered society, or of 100 members only if the society consists of 1,000 and not exceeding 10,000, or of 500 members of a society exceeding 10,000, the registrar of friendly societies may, with the consent of the treasury, appoint inspectors to examine into the affairs of the society and to report thereon, or may call a special meeting of the society. Evidence of the good faith of the application must be furnished, and the registrar may, if he thinks fit, require the applicants to give security for costs, and shall direct by whom the expenses of the inspection or meeting are to be defrayed. Societies registered under the friendly societies act are exempt from stamp duty and income tax, and also practically from the law of 1774,^a which requires that the person to whom a policy is issued shall have an insurable interest in the life insured. As to this law the exemption is indirect, arising from the provision of the friendly societies act that members above 16 years of age may dispose of sums not exceeding £100 (\$486.65) payable at their death by a written nomination.

The latest complete returns of registered societies were published in 1901 and were for the year ended December 31, 1900. There were at that time 27,785 friendly societies in the United Kingdom, having 11,750,130 members and £39,487,619 (\$192,166,497.86) funds. Percentage of total receipts spent for benefits, 74.69; for management,

^a On file in the Bureau of Manufactures, Department of Commerce and Labor.

9.15; saved, 16.16. Average annual contribution per member in Scotland, 12s. 4d. (\$3); in England, 17s. 3d. (\$4.20); in Ireland, 19s. 5d. (\$4.72). The financial condition of the collecting (burial) friendly societies (whose members include a large number of children) is shown by the statement that the 46 societies had 5,922,615 members and £5,207,686 (\$25,343,203.92) funds. The cost of collecting and the management expenses amount to nearly one-half of the contributions paid by members. The ordinary friendly societies had 5,217,261 members and £32,751,868 (\$159,386,965.62) funds.

STATISTICS OF FRIENDLY SOCIETIES.

Consul Knabenshue, Belfast, Ireland, transmits the following statistics of the fraternal insurance in the United Kingdom:

Fraternal insurance, or insurance by friendly societies, is carried on largely in the United Kingdom, but it is impossible to obtain separate statistics for the Belfast district. Through the courtesy of Hon. Daniel O'C. Miley, assistant registrar of friendly societies for Ireland, I have been favored with a copy of the last official report, from which is given the following summary of registered provident societies for the United Kingdom.

Friendly societies in United Kingdom.

Societies.	Number of returns.	Number of members.	Funds.
Building societies	2,190	595,451	£68,907,067
Friendly societies	29,141	13,344,494	44,848,575
Cooperation societies	2,303	2,064,835	43,328,078
Trades unions	665	1,604,812	5,016,408
Workingmen's compensation schemes	53	122,441	172,408
Friends of labor societies	254	32,684	254,426
Total friendly societies	34,606	17,754,717	157,526,962

INDUSTRIAL INSURANCE COMPANIES.

Continuing, Consul Fleming says:

Industrial insurance companies differ from friendly societies in having shareholders who have a direct interest in the management. This form of life insurance in force in the United Kingdom December 31, 1904, as shown by the returns of the companies to the board of trade, was as follows:

Condition of industrial societies on December 31, 1904.

Insured for—	Policies.	Sums insured.
Whole life	21,244,624	\$1,006,658,000.60
Limited number of premiums	323	29,817.05
Endowments	1,639,790	76,041,082.10
Endowment insurances	518,042	25,217,161.57
Joint lives	408,182	31,872,387.44
Contingent	4	9,295.02
Miscellaneous	2	10,219.65
Total	23,810,967	1,139,832,963.43

Development of industrial companies in ten years.

Year.	Policies in force.	Sums insured.	Premiums.	Cost of management.
1895	13,324,778	\$223,223,991.32	\$28,847,809.06	\$12,520,190.55
1896	14,990,581	701,469,812.04	31,062,514.25	13,572,254.85
1897	15,301,621	716,290,086.41	32,199,747.16	14,207,887.88
1898	15,890,654	740,067,240.16	34,800,871.95	15,577,682.55
1899	17,230,712	807,783,001.18	36,840,184.06	15,925,808.18
1900	17,857,134	840,198,582.49	39,315,129.81	17,501,893.10
1901	18,653,844	881,496,085.68	40,988,470.97	17,510,574.37
1902	20,005,127	949,826,977.43	45,239,212.73	19,207,554.78
1903	21,218,506	1,010,028,220.07	46,772,559.28	20,122,349.72
1904	23,810,967	1,139,832,963.42	49,958,962.62	21,575,116.77

From a comparison of the returns of the ordinary life insurance companies and the industrial companies it appears that the working expenses of the latter absorb fully three times the proportion of premium income that the cost of working the ordinary companies does.

GOVERNMENT INSURANCE AND ANNUITY.

[Statement by Edinburgh post-office authorities.]

The British Government insures the life of any person between 14 and 65 years of age for not less than \$4.87 nor more than \$486.65, upon application at the post-office. If the amount of the annuity or insurance purchased is less than \$486.65, further annuities and insurance may be obtained from time to time until the total amount is \$486.65. Immediate or deferred annuities of not less than \$4.87 nor more than \$486.65 may be purchased through the post-office on the life of any person over 5 years of age.

Persons proposing to insure their lives or purchase annuities must furnish a statement, giving full particulars of their age, upon a form which will be supplied by the postmaster with the form of proposal. If such statement can be verified by the registrar-general, London, no further evidence of age will be required; but if not, proposers must provide, at their own cost, such certificates of birth or baptism, or other evidence of age, as shall be required of them. When the age has once been proved, further contracts are granted without requiring any further evidence of age. Premiums are payable through the medium of savings-bank deposit accounts, and are accepted in addition to ordinary deposits. An annuity or insurance contract is issued on payment of the purchase money, if a single payment, or of the first annual premium in full. Provision can be made for the payment of premiums by increasing the money in the bank by deposits of not less than 25 cents at any post-office savings bank, and by the use of penny postage-stamp slips the provision can be made in sums of 2 cents at a time. So long as there is a sufficient sum standing to the credit of the deposit account each premium is deducted therefrom as it becomes due, without the depositor being troubled in the matter, and notice is sent as evidence that the premium has been paid. If the balance in the account is insufficient to cover any premium due, the depositor will be informed accordingly, in order that he may make a deposit, which may be done at any post-office savings bank. If desired, the premiums can be transferred from the account of any person other than the annuitant or insurant with the consent, in writing, of the depositor.

COST AND CONDITIONS OF INSURANCE.

The following examples show various ways in which insurances may be effected: The life of a male or female between 24 and 25 years of age may be insured for \$48.67 by an annual payment throughout life of \$1.05, by an annual payment to the age of 60 of \$1.18, or by a single payment of \$21.66.

A sum of money may be insured on the attainment of the age of 55, 60, or 65 years, or sooner in the event of death, by the payment of a single or annual premium, and a sum of money may be insured at the expiration of 10, 15, 20, 25, 30, 35, or 40 years, or sooner in the event of death, by the payment of a single premium according to the age of the insured person.

Insurances for sums not exceeding \$121.66 will be granted without a medical examination upon production of satisfactory evidence as to health, but in such cases, if the insurant should die before the second premium becomes payable, the amount of the first premium, and no more, will be paid to his representatives, and if he should die after the payment of the second premium and before the third premium becomes payable, half the amount insured, and no more, will be paid to his representatives. In either of these cases, however, if it shall be proved to the satisfaction of the postmaster-general that the death of the insured person was caused by accident, the full amount insured will be paid. In any case, immediately after the payment of the third premium, the insured person is entitled to the full benefit of insurance. Persons proposing to insure for more than \$121.66 must undergo a medical examination by a practitioner appointed by the postmaster-general, the cost of which is paid by the department; and persons proposing to insure for sums not exceeding \$121.66 may undergo a medical examination, if they so desire, by payment of a fee of 61 cents to the medical examiner. In all cases of insurance granted after medical examination the insured person is entitled to the full benefit of insurance immediately the policy is granted. No one life can be insured for less than \$24.33, and no insurance above \$24.33 will be granted to persons under 15 years of age.

If, after having paid not less than two annual premiums, an insurant should be unable to continue or should desire to discontinue the payments, such sum of money as the national debt commissioners shall determine to be the surrender value will be returned. Permission is granted to persons over 30 years of age who have been insured five years to reside in any part of the world free of any extra premium.

The sums charged for the purchase of immediate annuities or deferred annuities, sometimes called "old-age pay," vary with the age and sex of the person on whose life the annuity is to depend; and in the case of deferred annuities with the number of years to pass before the commencement of the annuity and with the conditions of the contract as to the return or nonreturn of the purchase money, a male aged 65 can purchase an immediate annuity of \$4.87, payable half-yearly, for \$47.04; a female aged 70 can purchase an immediate annuity of \$4.87, payable half-yearly, for \$42.38.

When the condition of a deferred annuity contract is that in the event of the death of the person on whose life the annuity is to depend before the commencement of the annuity the purchase money is to be

returned to his representatives, and that if the purchaser, at any time before the commencement of the annuity, wishes to discontinue the purchase the purchase money shall be returned. A female aged 24 may purchase a deferred annuity of \$4.87, to commence on her reaching the age of 60 and to be payable half-yearly, either by an annual payment until she reaches the age of 60 of \$1.05 or by a single payment of \$25.53.

When the condition of a deferred annuity contract is that no part of the purchase money shall in any event be returned, a male aged 24 may purchase a deferred annuity of \$4.87, to commence on his reaching the age of 54 and to be payable half-yearly, either by an annual payment until he reaches the age of 54 of \$1.05 or by a single payment of \$19.42.

Although in the case of annuities granted under the nonreturnable scale no part of the purchase money paid can be returned, yet if the annuity is being purchased by annual installments and the purchaser is unable to keep up the payments to the end of the period for which the annuity is deferred, the money paid is not lost, as an exchange contract can be granted for such an amount of annuity, to commence at the time fixed in the original contract, as the payments made may justify.

OTHER FORMS OF INSURANCE.

Among the many other kinds of insurance carried on in the United Kingdom are accident, boiler, book debts, burglary, employers' liability, fine arts, guaranty, horse and carriage, licenses, live stock, plate glass, profits and income, etc. Of these, however, none but accident, burglary, employers' liability, guaranty, and plate-glass insurance are to be regarded as important. Little business is done outside of these lines.

The employers' liability act of 1880, which mitigated the rigor of the common-law rule that an employee had no action against his employer for injury caused by the fault of a fellow-workman and fixed the maximum amount of damages recoverable at three years' wages of a person in the same grade of employment in the same district, opened a wide insurance field, which the accident companies eagerly entered. This field was extended by the workmen's compensation act of 1897, applying to employment on, in, or about a railway, factory, mine, quarry, or engineering work, and to employment on, in, or about any building which exceeds 30 feet in height, and is either being constructed or repaired by means of a scaffolding, or being demolished, and on which machinery driven by steam, water, or other mechanical power is being used for the construction, repair, or demolition thereof. The act provides compensation to workmen for injuries received. The leading feature is that the liability of an employer arises from the occurrence of an accident and that questions of negligence on his own or his servants' part are not regarded. In case of fatal injury, when the deceased leaves dependents who were wholly dependent on the deceased, the compensation is a sum equal to three years' earnings, or £150 (\$729.98) if the earnings are less than that, but in no case more than £300 (\$1,459.95). Where the dependents were partially dependent, the compensation is such sum,

not exceeding the above, as is reasonable and proportionate to the injury to the dependents. Where an injury is not fatal, but total or partial incapacity results, the compensation is a weekly payment during the incapacity after the second week, not exceeding half of the workman's average earnings up to the sum of £1 (\$4.87) per week. Under these two acts the accident companies went to the aid of employers rather recklessly, taking risks at low rates, with the result that several companies were ruined and others are bearing a heavy burden. The present effort on the part of the surviving companies is to raise rates to a safe and profitable level, but it has proved to be an extremely difficult undertaking. In Edinburgh much of the fidelity guaranty bond business is done by the great life companies. Neither flood insurance nor strike insurance is carried on here. One of the leading English companies represented in this city does hailstorm insurance, but there are few, if any, calls for policies in Scotland; the demand is practically confined to two counties in England.

NORTH AMERICA.

DOMINION OF CANADA.

Government insurance in Canada is confined practically to a provision for superannuated employees in the civil service. Fraternal insurance flourishes, and the usual forms of accident and guaranty insurance found in the United States are popular in Canada.

ASSESSMENT SOCIETIES IN CANADA.

Consul James M. Shepard, of Hamilton, Ontario, says:

There are 27 societies undertaking life insurance, or benefits in the nature thereof, with a total membership of 264,783; amount of insurance in force December 31, 1903, \$1,561,535,957; number of claims matured during the year, 1,471; amount of insurance paid, \$1,982,240; amount of disability benefits, \$39,018. In addition to these there are 85 societies, including the various trades, fraternal organizations, employers insuring employees, etc., with a total membership of beneficiaries of 71,312; number of deaths during the year, 1,218; amount paid for funeral benefits, \$53,666; amount paid for sick benefits, \$378,924; amount paid for medical attendance, \$57,175; amount paid for special relief, \$14,800.

FRATERNAL INSURANCE.

Consul E. A. Wakefield, of Orillia, submits the following on fraternal insurance:

Fraternal insurance upon the assessment plan is extensively carried on in Canada. Several of these societies have made deposits with the minister of finance of the Dominion government for the security of policy holders and are registered under the insurance act of Canada. The following table will show the amount of business transacted by these companies during recent years as reported to the superintendent of insurance of the Dominion of Canada at Ottawa:

Business of fraternal companies, 1895-1904.

Year.	Total amount paid by members.	Amount of certificates, new and taken up.	Number of certifi- cates in force at date.	Net amount in force.	Net amount become claims.
1895	\$945,997	\$12,862,025	40,486	\$71,380,365	\$655,950
1896	1,606,581	18,471,800	92,023	132,855,399	1,153,880
1897	1,650,993	17,094,300	97,460	136,290,199	1,159,479
1898	1,634,360	16,301,455	98,526	133,765,854	1,084,774
1899	1,650,862	11,022,000	99,906	129,806,877	1,049,000
1900	1,719,369	12,909,800	102,709	128,034,000	1,146,000
1901	1,357,733	9,457,000	99,518	116,542,500	947,372
1902	1,457,994	10,326,000	104,772	121,016,500	1,134,816
1903	1,527,759	12,685,000	112,382	127,634,000	962,387
1904	1,664,091	12,370,500	118,779	133,434,000	1,246,456

Commercial Agent Beutelspacher, of Moncton, New Brunswick, says:

The bodies doing business on the assessment plan made the following returns April 17, 1905, to the Canadian Parliament:

Returns of assessment societies.

	Amount of insurance.	Premiums.	Claims.
Catholic Mutual Benefit Association.....	\$26,072,500	\$335,608	\$284,500
Commercial Travellers.....	1,855,500	33,915	29,000
Independent Order of Foresters (Canadian) business.....	94,537,000	1,181,715	859,956
Woodmen of the World.....	10,969,000	112,853	73,000

The Independent Order of Foresters has a total of \$242,896,000 of insurance in force in Canada and other countries, the amount paid by members was \$3,174,202 and the claims paid \$1,931,153. The accident companies doing business in Canada carried \$125,335,747 of risks. The premiums for the year reached \$811,003 and the claims paid \$336,676.

GOVERNMENT LIFE INSURANCE.

Consul Joseph T. Hoke, of Windsor, Nova Scotia, reports that the government of Canada has a system of pensions for civil servants only. A small amount is paid monthly or quarterly by employees, and at the termination of the period of service a pension is paid, the amount of which is based on the amount of salary previously drawn and the length of the period of service. The government railway employees, too, have a system of mutual insurance, but I do not know the details of the management.

Consul Shepard, of Hamilton, writes:

An act was approved April 1, 1903, providing government life insurance for persons holding permanent positions in the civil service, but it is not generally availed of. The provisions of the superannuation act, 46 Victoria, chapter 8, section 18, are universal. Under this act $3\frac{1}{2}$ per cent of salaries of \$600 and over, or 3 per cent of salaries less than \$600, are withheld for the superannuation fund. Ten years' service entitles the superannuate to ten-fiftieths of his average salary and one-fiftieth is added for each year's service up to 36, thirty-five fiftieths being the limit.

OTHER FORMS OF INSURANCE.

Consul E. Haldeman Dennison, of Rimouski, Quebec, gives the following statistics of special forms of insurance in the Dominion of Canada:

Of the guaranty companies the American have 1,691 policies, representing \$4,622,951 insurance in force; total others, 9,105 policies, with \$34,265,754; total for all, \$38,888,705. Accident insurance—American, 5,818 policies, \$18,202,451 at risk; total others, 51,177 policies, with \$107,132,296 at risk; in all \$125,334,747.

I know of no special forms of insurance or unusual methods of insurance carried on in this country except that joint stock companies insure rentals also.

ACCIDENT AND GUARANTY INSURANCE IN MANITOBA.

In transmitting the following information relative to special forms of insurance in Manitoba, Consul Samuel H. Shank, of Winnipeg, states that he was unable to obtain any further details than the names of the companies operating in the Province.

American—American Surety Company, New York; Maryland Casualty Company, Baltimore, and the United States Fidelity and Guaranty Company, Baltimore. Foreign—London Guaranty and Accident Insurance Company, and Ocean Accident and Guarantee Corporation, of London. Domestic companies—Accident and Guarantee Company of Canada, Canada Accident Assurance Company, Canadian Railway Accident Insurance Company, Canadian Casualty and Boiler Insurance Company, Dominion of Canada Guarantee and Accident Insurance Company, Employers' Liability Assurance Corporation, Ontario Accident Insurance Company.

The following companies do the various kinds of business indicated: Dominion Plate Glass Insurance Company (plate glass); Dominion Guarantee Company (Limited) (burglary guarantee); Lloyds Plate Glass Insurance Company of New York (plate glass); Marine Insurance Company (Limited) (registered mail); New York Plate Glass Insurance Company (plate glass).

There are numerous fraternal societies in this Province doing insurance business, but as they are required to make no report to the government there is no means of finding out their number or their business transacted.

SPECIAL FORMS IN ONTARIO.

Consul Henry S. Culver, of London, contributes the following statistics covering special forms of insurance in the Province of Ontario:

The business of accident insurance was transacted by five Canadian, two American, and four British companies in 1903. The two American companies had in force 4,355 policies for \$12,152,686. The four British companies are: The Employers' Liability Assurance Company, the London Guarantee and Accident, Ocean Accident and Guarantee Company, and the Railway Passenger Assurance Company. The five Canadian companies are: Accident and Guarantee Company, Canada Accident, Canadian Railway Accident, Dominion of Canada Guarantee and Accident, and Ontario Accident.

Plate-glass insurance is transacted by two Canadian and two American companies. The American companies have in force 7,671 policies, and as they have adopted the system of insurance by replacement instead of paying the value of the glass broken the returns do not show the amount of insurance effected. The Canadian companies are the Canada Accident and the Dominion Plate Glass.

Sickness insurance is carried on by one American, four British, and five Canadian companies. The American company had in force at the close of 1903, 111 policies, for \$133,000.

The British and Canadian companies are the same as those given under the head of "Accident insurance."

Guaranty insurance is transacted by two Canadian, three British, and two American companies. The two American companies have in force 1,232 policies, for \$3,638,447. The British companies are

the Railway Passenger Assurance Company, Employers' Liability Assurance Company, and the London Guarantee and Accident.

The domestic companies are the Dominion of Canada Guarantee and Accident and the Guarantee Company of North America.

ONTARIO LAW FOR FRIENDLY SOCIETIES.

Of the 91 friendly societies in Ontario, 4 are American. These societies issue contracts for the payment of sick and funeral benefits and insurance against death. The total number of members reported December 31, 1901, in Ontario was 307,456, and the amount of benefits paid in Ontario in 1901 was \$2,046,572.

As the law now stands any further registration or licensing of foreign friendly societies is out of the question. Section 30 of the insurance act of Ontario reads as follows:

(1) No company, society, association, or organization incorporated after the 10th day of March, 1890, under the revised statute respecting benevolent, provident, and other societies, or under any act amending or consolidating the same, shall have authority to undertake or effect for valuable consideration, or to agree or offer so to undertake or effect, any contract of insurance within the meaning of section 2 of this act; and any person who in contravention of this section acts, or purports to act, for any such corporation in any such contract or offer shall be guilty of an offense punishable as enacted in section 85 of this act.

(2) No company, society, association, or organization incorporated under the revised statute respecting benevolent, provident, and other societies on or before the 10th day of March, 1890, and not authorized by its original certificate or declaration of incorporation to undertake such contracts as mentioned in the next preceding subsection, shall by virtue of section 19 of the said revised statute or otherwise have authority to change or extend the purposes of the corporation so as to include the undertaking of such contracts.

Section 63 of the insurance act reads as follows:

(1) No friendly society heretofore admitted to registry as being then within the intent of the act respecting benevolent, provident, and other societies, and also within the intent of the insurance corporations act, 1892, shall be deemed to be managed and operated according to the true intent of the said acts unless the persons insured in or by the society exercise, either directly or through representatives elected for a term not exceeding three years, effective control over the insurance funds of the society, and no corporation whatsoever wherein the persons who by virtue of their office have the disposition, control, or possession of the insurance funds hold such office for life shall be eligible for registry as a friendly society under this act.

Provided, That where a corporation otherwise entitled to registry under this act is, in the opinion of the registrar, debarred by reason of some particular clause or clauses in the rules of the corporation, the corporation or the executive board thereof (by whatever name known) may, under the direction of the registrar, amend its rules in like manner as provided in subsection 2 of section 62 of this act, and thereupon the registrar may admit the corporation to registry as a friendly society.

(2) No society applying for registry or renewal of registry by virtue of its incorporation under any act of Ontario shall be deemed to be entitled to be registered on the friendly society register unless its head office is situated and maintained in Ontario and unless the secretary and treasurer are bona fide residents of the Province. This subsection shall take effect on, from, and after the 1st day of January, 1895.

ASSESSMENT INSURANCE.

Consul Wakefield, of Ontario, transmits the following table showing amount of business transacted by assessment insurance societies registered under the insurance act of Ontario, as reported to the

registrar of Ontario. These societies do not report to the superintendent of insurance at Ottawa:

Statistics of assessment companies in Ontario, Canada, 1899-1903.

Year.	Total membership in Ontario on Dec. 31.	Number of certificates in force anywhere on Dec. 31.	Amount of insurance in force anywhere on Dec. 31.	Number of claims matured in Ontario during each year.	Amount of insurance benefits paid in Ontario during each year.
1899.....	229,084	662,348	\$1,179,958,905.71	1,126	\$1,561,246.49
1900.....	232,306	741,797	1,265,519,711.67	1,214	1,601,384.04
1901.....	244,316	809,909	1,339,882,487.34	1,227	1,684,273.94
1902.....	255,700	906,912	1,441,123,788.01	1,377	1,822,731.10
1903.....	264,788	1,070,889	1,561,535,957.27	1,471	1,982,240.34

CONDITIONS IN OTHER PROVINCES.

British Columbia.—Relative to special forms of insurance in British Columbia, Consul Abraham E. Smith, of Victoria, writes:

There are no companies which insure against strikes or floods. The provincial government transacts no insurance business whatever. Nine superannuated veterans of the civil service are pensioned. There are several fraternal insurance societies in the Province, mostly branches of American orders, such as the Royal Arcanum, Foresters, Woodmen, Workmen, Odd Fellows, Knights of Pythias, and others, from whom reliable statistics can not be secured.

New Brunswick.—Commercial Agent Gustave Beutelspacher, of Moncton, writes:

This district alone has about 20 so-called fraternal societies, and they all seem to be flourishing. It is difficult, however, to obtain any information regarding their affairs and prosperity. There are only four of these associations reporting to the superintendent of insurance for Canada, namely, Catholic Mutual Benefit Association, Independent Order of Foresters, Commercial Travelers' Mutual Benefit Society, and the Woodmen of the World.

Consul Ira B. Myers reports as follows concerning special forms of insurance in the St. Johns district:

The amount of fraternal society insurance done in this district is not obtainable. The companies doing such business here are the Royal Arcanum, the Foresters, Home Circle, Independent Order of Odd Fellows, Ancient Order United Workmen, Catholic Mutual Benefit Association, Royal Templars, L. O. A., and certain railway protective life insurance companies. There are no special forms nor unusual methods of insurance carried on in this district.

Nova Scotia.—Consul Joseph T. Hoke, of Windsor, reports that fraternal insurance societies do considerable business in his district, but that he has been unable to ascertain the extent of their operations or amount of business done. There are probably about 500 members of fraternal insurance societies in Windsor, carrying about \$500,000 insurance altogether. The reports of this kind of insurance available do not give details of the business done, nor of incomes nor payments to policy holders.

Quebec.—Consul Charles Deal, of St. Johns, in referring to special forms of insurance, says that there are several fraternal and benevo-

lent societies represented in the Province of Quebec, but as they make their reports as life companies to the department of insurance at Ottawa, the number of policies, amount of insurance, income, and amount paid to policy holders can not be obtained at St. Johns. The requirements in this Province for life insurance companies will be found in the report on Quebec under "Life insurance."

MEXICO.

SPECIAL FORMS OF INSURANCE.

Consul-General James Russell Parsons, of Mexico City, writes:

So far as I can learn there are no special or unusual forms of insurance carried on in Mexico. The Mexican Government does not transact an insurance business, unless provisions for superannuated employees may be so considered. There are no provisions made for superannuated employees except in the war department and the department of foreign affairs. The funds for the retired or civil-pension list are appropriated by legislative enactment, as are all funds for the support of civil service.

Insurance by Mexicans is quite in its infancy. They have little fraternal insurance as we understand it in the United States, while industrial insurance is just being instituted.

FRATERNAL INSURANCE IN DURANGO.

Consul James H. Le Roy, of Durango, writes:

Quite a number of the railway employees of Mexico, of whom the conductors and engineers are mostly Americans, have their fraternal orders, the Order of Railway Conductors and the Brotherhood of Locomotive Engineers especially being well organized. Among the older fraternal orders of the United States which lend protection to members or families of members there are two at least represented by lodges in this district—the Masons and the Knights of Pythias. Other fraternal orders of the United States have lodges in different parts of the country. In this district at least none of the newer fraternal societies of the United States, whose prime or sole purpose is the furnishing of insurance at cheap rates, is represented. Among Mexican companies there is no fraternal company, properly so called, the companies named doing business on the same principles as the "old-line" companies in the United States.

There are local lodges of workmen at different places throughout Mexico, and these have some little connection among themselves, but they have in no case attained sufficient importance to require special consideration in this connection. Among the master workmen in the various crafts in the city of Durango there are four of these workmen's lodges, all taking their name from some modification of the "cooperative" idea. Only one of these is connected with lodges outside of this city, in other parts of the Republic. These lodges lend aid to their members in time of sickness, and pay, as a rule, though not in all cases, a lump sum to the family of a deceased member. Strictly speaking, however, they do not conduct anything

like a general insurance business, and for obvious reasons (in particular, the fact that they recruit their members from a class not numbered among those constituting "good risks" for American companies) they do not enter into competition with insurance companies. The idea is implanted in the country, however, and may be expected to develop along with Mexico's industrial expansion.

WEST INDIES.

British West Indies.—Consul G. H. Bridgman, of Kingston, writes:

There are no special forms of insurance or unusual methods of insurance carried on in Jamaica, such as flood, strike, plate-glass, and live-stock insurance. Insurance here is being strictly confined to life, fire, and marine risks.

The Government in 1875 passed a law making provisions for the widows and orphans of deceased public officers. All civil servants on being appointed to an office (which is for life) have to contribute 4 per cent of their salaries to a general revenue, and this is deducted monthly from their pay. The fund now stands at about \$500,000. In 1904 pensions to the extent of \$20,275 were paid to widows and orphans of deceased public officers. Besides this, every government officer on retiring, from old age or sickness, receives a pension according to his length of service. There is no other insurance benefit scheme conferred or controlled by this government.

Commercial Agent Joseph Emerson Haven, of St. Christopher, writes:

The only insurance transacted by the local government is the pension system. An employee must remain in the government service for ten years at least before he can draw a pension. When an employee leaves (providing he has been in the service for ten years) five years are added to his term of employment, his pension being accounted thereby. At the end of thirty-five years he can retire on a full pension, viz, two-thirds of salary. In no case can more than two-thirds of salary be drawn as a pension.

There is neither fraternal nor friendly society insurance carried on in this consular district.

Cuba.—Consul-General F. Steinhart, of Habana, writes:

There is neither special nor government insurance transacted in Cuba. Two American assessment societies operated in Cuba, but both of them retired several years ago, and one of them failed a short time afterwards.

French West Indies.—Consul Charles M. Freeman, of St. Pierre, writes.

There are no companies doing business here in special insurance. The government pensions sailors who have served twenty-five years on the sea under the French flag, and the amount varies according to the capacity in which the pensioner served. Three local societies, with dues amounting to about 1 cent per day, furnish members with the attendance of a doctor, medicines, and from 40 to 50 cents per week while sick or disabled.

SOUTH AMERICA.

There is practically no special insurance in South American countries. Venezuela has a form of "crop insurance," and some governments provide means for insuring the employees in the civil service. Fraternal insurance is in its infancy.

VENEZUELA.

CROP INSURANCE.

Consul Carl Bailey Hurst, of La Guaira, writes:

Besides the regulations formulated in the Commercial Code for the control of the marine, fire, and life insurance there is also provision for insurance against the risks to which agricultural properties are exposed, the full text of which in translation is as follows:

The policy must contain: The name and residence of the insurer and the insured; the form in which the insured contracts for the insurance, whether in his own name or on account of another; the class and precise description of the character and value of the things insured and their situation; the amount of insurance; the risks that the insurer assumes; the period in which the risks assumed by the insurer begin and end; the premium for the insurance and the time, place, and form in which it shall be paid; the date on which the contract is celebrated, stating the hour; all information that may give the insurer an exact and complete knowledge of the risks and all other stipulations that the contracting parties shall make.

The assured must take every care to avert risks on the property insured; if not, the contract becomes void. Independently of the foregoing, the policy shall specify: The location, contents and confines of the fields, meadows, or orchards whose products are insured; the kinds of crops or plantings for which the fields are prepared, and whether already under cultivation or about to be so placed; the location of the storehouses, and whether the insurance is for products already harvested; the average value of the insured products.

The insurance may be contracted for one or more years. The time not being determined in the policy, it shall be understood that the insurance shall continue for the rural year in which the immediate harvest falls. The insurer pays for the loss or damage of the crops or harvests, but not in greater measure than the woodlands, grain fields, or plantations are capable of producing. In case of disaster the insurer will pay the stipulated indemnification in the manner and period designated. In the expert adjustment of the loss one will take into account, in order to calculate and determine the exact indemnification, whether or not it may be possible to make a second sowing or planting, considering the season in which the disaster

occurred, or whether the state of growth at the time of loss warranted the presumption of any harvest.

FRATERNAL INSURANCE.

There are no fraternal insurance societies in this district other than a few that provide for illness and burial among their members. The monthly rate for all those who belong to these scattered associations is about 80 cents, and in case of illness a physician and medicines are paid for by the society and about 40 cents a day given in money to the one under treatment.

OTHER COUNTRIES.

In the other countries of South America special forms of insurance are almost unknown. Government insurance is carried on only in British Guiana, and fraternal societies have gained a foothold in Argentina.

ARGENTINA.

Consul-General D. Meyer, of Buenos Ayres, reports:

There is insurance against damage to property by hailstorms in Argentina, but I am unable to secure statistics or get any other information. The Government does not transact any insurance business. There are so-called fraternal insurance societies, as well as various pension schemes, but no information can be had from any of them.

BRAZIL.

Consul-General Eugene Seeger, of Rio de Janeiro, reports that there are no special forms or unusual methods of life insurance in Brazil. The Government does not carry on any kind of insurance, and no fraternal insurance is carried, except by a few insignificant local beneficial societies.

BRITISH GUIANA.

Consul George H. Moulton, of Georgetown, writes:

There are no unusual methods of insurance in British Guiana. The local government carries on a widows and orphans' fund, based on a 4 per cent abatement of salaries of public officers, in shape of a survivorship annuity, but this has not been extended to civil servants appointed since December 21, 1900. There are no local fraternal societies which carry on insurance business.

CHILE.

Consul R. E. Mansfield, of Valparaiso, reports that no special forms of insurance, such as flood, strike, or government and insurance by friendly societies, are carried on in Chile.

Consul C. C. Greene, of Antofagasta, writes:

Some years ago a government tontine company did business, but the results were not satisfactory, and I am not cognizant of any unusual form of life insurance now extant. There are several insurance clubs here, but of small importance, and their transactions are not published. The rapidly increasing labor element will soon bring about a change, and the "Mancomunal" organization of Antofagasta is rapidly consolidating all trades and will, in due time, establish aid and life insurance sections.

COLOMBIA.

Consul-General Alban G. Snyder, of Bogota, writes:

I have no knowledge of any special forms or unusual methods of insurance being carried on in this country. The Colombian Government transacts no insurance business. There is a pension paid by the Government, amounting to about \$8 a month, to old retired professors of the former National University here. Only two of these are living at present. None of the so-called fraternal insurance companies exist in this country.

PERU.

Relative to special forms of insurance in Peru, Consul Alfred L. M. Gottschalk, of Callao, writes:

The so-called "fraternal insurance" is not practiced here. In slavery days there were corporations to which all slaves belonged, and which buried their dead on a sort of "mutual benefit" plan. But this has entirely passed away.

ASIA.

In British India and Hongkong the government insures members of the civil service, and fraternal insurance is carried on to a limited extent. In Dutch India the domestic insurance companies take accident risks. Persian merchants sometimes insure their goods against the pillage of robbers that infest the caravan routes.

BRITISH INDIA.

Concerning special forms of insurance in British India, Consul William Thomas Fee, of Bombay, writes:

The government of India does not transact any insurance business, and it is believed that there does not exist any special form of insurance or any method of insurance peculiar to India. There are some so-called fraternal insurance societies in this district, but it is of a very limited nature and so unimportant that it scarcely merits any mention.

Of special forms of insurance in Ceylon, Consul William Morey, of Colombo, writes:

There are no special forms of insurance against droughts, floods, or any other natural exigencies, and practically no system of fraternal insurance. The government has a widows and orphans' pension scheme, confined entirely to members of the public service, which is somewhat analogous to life insurance. Its funds consist of the accumulation of deductions, at 4 per cent, from the monthly salaries of government servants.

DUTCH INDIA.

Concerning special forms of insurance in Dutch India, Consul B. S. Rairden, of Batavia, Java, writes:

The domestic life insurance companies insure against accident, but none of the foreign companies take such risks. There is no government insurance of any kind carried on in Dutch India; neither is there any fraternal insurance, or insurance by friendly societies.

HONGKONG.

Concerning special forms of insurance in Hongkong, Consul-General Edward S. Bragg writes:

I have no knowledge of any special or unusual forms of insurance, unless insurance against damages from typhoons, which is quite similar to the town insurance in some parts of the United States, with

lightning and storm risks. There are no insurance companies under the patronage of or in which the government is interested, unless it be for long and faithful service, or upon retirement of employee officers or government officials, which is similar to the American policy, more general in its application, but not so great in amount. The English law and rules of application obtain here.

PERSIA.

Consul-General John Tyler, of Teheran, writes:

Insurance against accidents would seem to be supererogatory while the vehicles of traveling chiefly consist of the horse, camel, mule, and ass, and the greatest rate of speed not more than 10 miles an hour. A pack animal with his load is occasionally jerked over a precipice, which means sudden death to the animal and destruction of the load, but as these accidents seldom occur, the cost of insurance would more than counterbalance its benefits.

For a few years past some English companies have insured goods against breakage damages and other risks up to their destination in cities and mercantile centers far inland. Formerly this was not possible on account of the depredations of semi-independent tribes, but since the governors of provinces have been made responsible for the safety of the highways of commerce and travel, and in case of loss by robbers to provide compensation, the dangers are not great. Notwithstanding this, not every company will accept the liability. I have known many cases where the Persian Government has given compensation on both insured and noninsured goods.

The Russian insurance society "Rossia" has an agency in Teheran, but its business is devoted to the insurance of merchandise against loss, damage, and other risks. English merchants trading with Persia insure their goods, whether imported or exported, in England, by special arrangement with the different companies.

AFRICA.

BRITISH SOUTH AFRICA.

Consul-General W. R. Bigham, of Cape Town, reports as follows concerning special forms of insurance in Cape Colony:

The government does not transact any insurance business. There is no so-called fraternal insurance in this colony. There are, however, friendly societies to the number of 129, with 17,077 members, having a total income of \$275,186.

CANARY ISLANDS.

The Spanish laws of insurance govern all insurance institutions in the Canary Islands. All companies doing an insurance business are obliged to make a deposit of 1,000,000 pesetas in approved securities.

MADEIRA.

Consul T. C. Jones, of Funchal, writes:

Monte Pio Geral is an insurance company here managed by the government at a very low rate of premium. The insurance is payable at death only, when so much is paid monthly to the widow so long as she does not marry again, and the same to each daughter until she contracts marriage, and to each son until of age. The amount is according to the sum of insurance effected. If a man pays \$5 on entering and 42 cents monthly, his family is entitled to \$5 for the first year, and this increases \$5 per annum for each succeeding year. No other special form of insurance exists in Maderia.

MOROCCO.

There are no special forms of insurance in Morocco. Insurance of any kind is not regarded necessary in the fatalistic creed of the Musulman; and the Jews, who form the only other considerable element of the population, insure in regular life and fire companies. There is no government supervision or regulation of insurance.

SIERRA LEONE.

Consul John T. Williams writes:

Secret friendly and benevolent societies have insurance provisions. These benevolent societies appear to carry about the same local influence among the creoles as similar ones elsewhere. The statistics of these organizations are not readily obtained, as there are no official publications of them.

OCEANIA.

AUSTRALASIA.

Consul Orlando H. Baker, of Sydney, New South Wales, reports as follows concerning a distribution society in Australia and a government assurance in New Zealand:

One society has followed for over twenty years the plan of annual distribution of profits among its policy holders, a plan not successfully carried on in any other part of the world. It is popular with Australians, but it has the disadvantage that after the annual distribution of the profits earned the society has no reserve of any consequence with which to meet special contingencies in the shape of epidemics, panics, or a financial crisis.

The New Zealand Government has a life assurance department, which was established in 1870. Mr. J. H. Richardson, the commissioner of the department in Wellington, will be pleased to give full particulars to anyone desiring information.

FRIENDLY SOCIETIES IN QUEENSLAND.

Consular Agent W. J. Weatherill, of Brisbane, reports as follows on special forms of insurance in Queensland:

The Government of this State transacts no insurance business and has no pension scheme.

Insurance by friendly societies is carried on in Queensland to a very limited extent, operating under the law of the friendly societies in Queensland. Under these any friendly society named therein is entitled to insure any of its members in a sum not exceeding \$1,000 on the life of any one individual, but this is not being availed of to any very large extent by any of the societies.

OLD-AGE PENSION IN VICTORIA.

Covering special forms of insurance in Victoria, Vice-Consul-General A. P. Merrill, of Melbourne, writes:

The government of Victoria does not transact insurance of any kind. An old-age pension system is, however, in operation. An act to provide for the payment of such pensions was passed in 1900. The minimum age of a pensioner is 65 years, but pensions may be granted to persons under that age if they have been permanently disabled through having been engaged in mining or any unhealthy or hazardous occupation. The period of residence in the State required to

entitle a person to a pension is twenty years, five of which must be continuous and immediately preceding the application. A person who has deserted, without just cause, wife, husband, or children, for a period of twelve months in the preceding five years, is debarred from pension rights. The absence of serious criminal taint, to the extent of not having been imprisoned for periods amounting to five years during the whole qualifying period of residence, or to six months or upward in the preceding five years, is insisted upon. Three convictions for drunkenness during the preceding two years is a disqualification. An applicant must be a British subject by birth, or a naturalized subject of not less than six months' standing, but Chinese and Asiatics, whether naturalized or not, and aborigines are excluded. Relatives may be summoned to show cause why they do not support applicants for pensions, and may be ordered to do so. Originally the maximum pension was 10s. (\$2.43) per week, but in the amending act of 1901 it was reduced to 8s. (\$1.94) per week. Under the amending act of 1903 pensions are only granted, and the amount fixed by the treasurer of the State after recommendation of the commissioners. The maximum rate of pension (8s. = \$1.94 per week) is retained. On December 31, 1903, 12,040 persons were entitled to receive pensions. Between January 1, 1904, and December 31, 1904, 846 pensions were granted to new applicants and 81 pensions were restored, 527 pensions were canceled and 1,015 pensioners died, leaving 11,425 persons entitled to pension on December 31, 1904, of whom 11,263 are receiving payment from last schedules prepared. The remaining 162 pensioners are inmates of hospitals or have had their pensions temporarily suspended.

The following are the amounts paid since the inception of the system: In 1900-1901, \$629,423; 1901-2, \$1,423,120; 1902-3, \$1,051,033; 1903-4, \$998,363; July to December, 1904, \$510,763; total, \$4,612,702.

FRIENDLY SOCIETIES.

The Independent Order of Foresters is practically the only friendly society which issues insurance policies in this State. The policies are issued from the head office in Canada and are confined to members of the branch of the order here. A few hundred policies only have been taken out in the whole State.

The friendly societies of Victoria, of which there are 25 in existence, pay as a rule the sum of £1 (\$4.86) per week, with free medical attention to members while sick, and £20 (\$97.33) to the widow or next representative in the event of death. The following table may be of interest as showing the condition of these societies at the end of the years 1899-1903, the latest figures available:

Friendly societies in Victoria, 1899-1903.

Description.	1899.	1900.	1901.	1902.	1903.
	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>
Societies	29	29	29	28	25
Branches	1,105	1,111	1,132	1,148	1,155
Members (average)	91,213	95,819	99,360	101,574	102,040
Members sick	21,083	18,007	20,832	20,703	19,133
Weeks for which ailment was allowed	165,616	157,235	169,239	168,890	171,327
Deaths of members	993	976	1,036	1,023	1,021
Deaths of registered wives	442	424	393	427	408
	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>
Income of sick and funeral fund	907,831	960,668	984,950	983,248	1,020,936
Income of incidental fund	778,051	802,298	824,406	817,065	829,173
Total income	1,685,882	1,792,906	1,809,356	1,800,333	1,850,169
Expenditure of sick and funeral fund	747,100	735,941	748,900	759,291	748,871
Expenditure of incidental fund	754,585	788,051	815,522	814,851	823,922
Total expenditure	1,501,685	1,523,992	1,562,422	1,574,142	1,570,794
Amount to credit of sick and funeral fund	5,675,234	5,929,961	6,168,010	6,391,967	6,636,083
Amount to credit of incidental fund	222,039	236,225	245,115	247,349	252,600
Amount invested, sick and funeral fund	5,369,856	5,555,975	5,894,867	6,082,195	6,383,966
Amount invested, incidental fund	175,821	179,009	192,334	203,385	209,678
Total invested	5,545,177	5,734,984	6,067,201	6,285,580	6,593,664

In the five years ended with 1903 the number of members increased by about 14½ per cent, the amount to the credit of the sick and funeral fund by nearly 21 per cent, and the total amount invested by over 24 per cent.

PART III.

FIRE AND MARINE INSURANCE.

EUROPE.

In Europe the fire insurance laws are remarkable, chiefly because they compel insurance in some countries, while in all cities they prevent great losses by insisting on the erection of only stone and brick buildings. The fire department systems are ridiculously inadequate as compared with those of American cities, yet the net results are better. French law compels insurance against fire not only for the benefit of the owner, but for his neighbors. In Germany building insurance is compulsory, and in some kingdoms it is a government monopoly. Russia has an elaborate system of central and local Government insurance and compels all buildings to be insured. By a law recently enacted the Swiss method of insuring against the loss of time by fire has been made almost impossible. In some of the Cantons insurance against loss by fire is compulsory. Any company that wishes may do a fire insurance business in the United Kingdom without legal handicaps, and this is true also of Sweden. Norway conducts a Government mutual insurance company, but insurance in it is optional. The laws of various nations as found under the heading of "Life Insurance," Part I of this volume, apply in many cases to fire insurance also.

AUSTRIA-HUNGARY.

FIRE INSURANCE IN TRIESTE.

The following report of Consul Hossfeld covers fire insurance in the Trieste district:

The estimated population of the territory on June 30, 1905, was 193,387, exclusive of the garrison. The area of the city is 535.35 hectares (1,322.85 acres); the total area of the city and territory is 9,380 hectares (23,178 acres). At the end of the year 1904 the total number of buildings in the territory of Trieste was 10,741, viz, within the city limits, 3,949; in the suburbs, 5,198; in the surrounding villages, 1,594; total, 10,741.

The law of Trieste and its territory prohibits the construction of wooden buildings. Only sheds and buildings of a temporary nature may be constructed of wood, such as are intended to serve as shelter for workmen or for the storage of materials while permanent buildings are being constructed.

The number of alarms during the year 1904 was 346, of which 64 were false. There were 207 fires in brick and stone buildings, 4 fires in temporary wooden buildings, and 71 other fires.

For many years Trieste has not had a large fire. All the fires in 1904 were confined to the buildings or floors where they originated.

The total loss from fire (insured and uninsured) amounted in 1904 to 356,429 crowns (\$72,355.09). As no fires extended to adjoining buildings in the year 1904, there were none other than direct losses.

BELGIUM.

The following information concerning the laws of fire and marine insurance in Belgium is from Consul-General Church Howe, of Antwerp:

LAW OF FIRE INSURANCE.

Fire risks comprise all damage incurred by fire by the property insured when there is no act or grave fault imputable to the party insuring. The insurance company is liable for faulty construction of buildings insured against fire if it is not proven that the party insuring knew of the existence of same at the time of the contract. In the case of damage to buildings by fire the value of the damage sustained is calculated by comparing the value of the building before the disaster with the value of what remains after. The amount of damage is paid in cash, unless the reconstruction of the buildings has been stipulated in the insurance contract, in which case the party insuring must rebuild or repair, at the cost of the insurance company, within a time to be fixed by the court. The insuring company has the right to see that the entire sum for which it is responsible is used for this purpose. When the insurance contract has as its object the risks of tenants or that of neighbors the insurance company in case of fire is only held liable for the actual material damaged. In the event of the destruction by fire of a building, the indemnity due to the tenant who has insured his tenants' risk is payable to the owner of the building, to the exclusion of the creditors of the party insuring. In the same manner the indemnity due to the party who has insured his risks toward his neighbors belongs exclusively to the latter; this, however, does not prejudice the claims of the landlord or neighbors in the event of the amount of the indemnity not being sufficient to cover their loss.

LAW OF MARINE INSURANCE.

According to Belgian law in matters of marine insurance owners may insure as follows: The hull and keel of the vessel, rigging and apparatus, all fittings and supplies, freight, passage money, and in general all profits subject to the risk of navigation. The insurance companies become responsible for loss and damage caused by tempests, shipwreck, grounding, collision, jettison, fire, explosion, pilfering, and generally all sea risks. They are not, however, liable for war risks unless specially contracted for.

CONDITIONS IN BELGIAN CITIES.

The following tabular statement showing the fire losses in the Brussels district and in the cities of Charleroi, Louvain, Mons, and Namur was compiled by Consul-General G. W. Roosevelt, of Brussels:

Fire statistics of Belgian cities.

Location.	Population.	Area.	Number of brick and stone buildings.	Number of alarms.		Number of fires.				
				Total.	False.	In brick buildings.	In wooden sheds.	Confined to place of origin.	Extended to adjoining buildings.	Confined to floor of origin.
Brussels proper	194, 186	<i>Acres.</i> 2, 493	21, 313	371	29	342	---	342	---	339
Suburbs:										
Anderlecht.....	55, 375	4, 414	5, 670	38	1	37	---	37	---	37
Etterbeck	23, 992	5, 936	4, 032	10	---	10	---	10	---	9
Ixelles	68, 189	1, 810	10, 629	75	3	71	1	72	---	73
Laeken	31, 121	2, 290	3, 700	34	4	29	---	28	1	28
Molenbeck	63, 678	1, 485	7, 110	59	14	44	---	11	2	31
Schaerbeck	69, 578	2, 358	9, 539	68	3	48	17	65	---	12
St. Gilles	59, 092	623	6, 200	49	1	47	---	48	---	45
St. Jone ten Woode	33, 267	280	4, 752	57	2	51	---	51	---	51
Total Brussels and suburbs ..	598, 468	21, 689	72, 935	761	57	679	18	664	3	622
Charleroi ^a	26, 900	910	5, 821	15	1	12	---	12	---	12
Louvain ^a	42, 106	1, 010	---	---	---	---	---	---	---	---
Mons ^a	27, 065	4, 118	6, 000	17	---	14	---	16	1	13
Namur ^a	31, 943	2, 543	---	26	---	---	---	26	---	26
Grand total	726, 479	30, 270	---	---	---	---	---	---	---	---

Location.	Total loss (insured and uninsured).	Losses on buildings and contents in which fires originated.	Fires other than in buildings.	Statistics given for—
Brussels proper	\$30, 763	(b)	(b)	1903.
Suburbs:				
Anderlecht.....	---	(b)	(b)	Year ended Aug. 1, 1904.
Etterbeck	19, 504	(b)	(b)	1904.
Ixelles	---	(b)	(b)	Aug. 9, 1903, to Aug. 6, 1904.
Laeken	22, 349	\$21, 809	\$1	Year ended Aug. 15, 1904.
Molenbeck	106, 150	69, 480	1	1904.
Schaerbeck	---	(b)	(b)	1903.
St. Gilles	---	(b)	1	1904.
St. Jone ten Woode	---	(b)	2	1903.
Total Brussels and suburbs ..	178, 766	---	---	---

^a No further statistics than those given could be obtained. Dates of statistics: For Charleroi, 1903, and for Mons and Namur, 1904. The mayor of Louvain refused to supply any data of any kind.

^b No statistics.

DENMARK.

Consul Raymond R. Frazier, of Copenhagen, submits the following statistics relative to fire insurance in Denmark:

FIRES IN COPENHAGEN.

The estimated population of Copenhagen, Denmark, on July 1, 1904, was 430,000, and its area 27.13 square miles. These figures do not embrace Frederiksberg, a community of 81,000, and as much a part of Copenhagen as any other division of the city, but which from ancient time has had its separate government. The report for Frederiksberg will therefore, as far as possible, be given separately. There are no available statistics concerning the number of brick and other buildings in Copenhagen.

Fire alarms in 1902, of which 32 were false alarms, 548; of these 71 were in a "neighboring community;" fires where the fire department was called out, 162; fires in brick and stone buildings, 606; in fences, trees, lumber yards, etc., 10.

Of these fires 515 were confined to buildings in which they originated, and only 1 fire extended to adjoining buildings; 500 were confined to the floors in which they originated.

In 1904 there were 93 fire alarms in Frederiksberg, of which 17 were false. The number of fires in brick and stone buildings was 76. There are no wooden buildings. The 76 fires were all confined to the floors on which they originated.

AMOUNT OF INSURANCE IN FORCE.

No statistics have been compiled by the city or any department of the government. The Copenhagen Fire Insurance Company at the beginning of the fiscal year 1903 carried risks in Copenhagen proper, on buildings and fixtures, to the amount of \$86,048,904. The number of losses during the year was 129, amounting to only \$13,721. There was in addition one exposure loss of \$37.52. The average amount of risks carried by this company for the ten years ended with 1903 has been \$75,287,846, and the average annual amount of damages paid during the same period has been \$19,651 (including exposure losses, the average annual amount of damages paid on account of which during the same period was \$1,421). The Common Fire Insurance for Country Buildings had, on April 1, 1904, 7,796 risks in Copenhagen and Frederiksberg, aggregating \$160,002,431. During the year ended on that date the company paid \$10,233 on all losses by fire; on April 1, 1905, it had 9,187 risks, amounting to \$176,373,854, and had paid out for the year \$39,451, on 265 fires.

FRANCE.**FIRE INSURANCE LAWS OF FRANCE.**

The following report on the fire insurance laws of France was prepared by Consul John C. Covert, of Lyon:

The insurance legislation of France is of a nature to compel a very large insurance business. If a citizen of France does not insure his

property, he is responsible to his neighbors and to his landlord for any damages that may occur to them from fire. He is compelled, in order to avoid the risk of a great loss, to insure himself, his neighbors, and his landlord against a loss of rent. A Government insurance officer in this city explained to me that it would not be the fault of my landlord if the house caught fire in my apartment and that he ought not to lose his rent. The tenant is responsible for the fire in his premises. This is founded on the following sections, which I quote from the code:

ART. 1733. The tenant is responsible for a fire on his premises unless he can prove that the fire was caused by something beyond his control, by some fault in building, or that the fire was communicated by a neighboring building.

ART. 1734. If there are a number of tenants, all are alike responsible unless they can prove that the fire caught in the apartment occupied by one of them, in which case he alone is responsible, or unless some of them prove that the fire did not begin in their apartment, in which case they are not responsible.

These two sections of the code were adopted, after a long discussion, on August 3, 1777. They have since been subject to many discussions, but the weight of argument has always favored their continued application. The rates of insurance are very low. I insured the furniture in my apartment for \$1,351, paying \$12.70, but my policy reads that I am insured for \$83,762. The \$1,351 is for my furniture and the remainder for the approximate value of the building and the possible loss of rent to the landlord. If I were not insured and the property should be lost by fire through any fault of mine, I would not only have my own loss to bear, but also the loss of the landlord and the other tenants. This is called in French "the risque locatif"—the risk of losing the rent. The fear that a tenant is constantly under that he may have to pay immense damages in the event of a fire causes all classes of people to take out policies upon their property, however small may be its value.

PRECAUTIONS AGAINST FRAUD.

During some years it was contended on the part of the insured that they ought in justice to receive the full value of the policy on which they were insured in case of fire. On the other hand, it was argued that property may have deteriorated in value and that the policy might open a door to fraud by making it possible for a man to realize a fine profit by a fire, from which his neighbors would be exposed to loss. To settle this mooted question a special clause reading as follows is generally inserted in the policy of fire insurance: "Insurance shall never be a cause of profit to the insured; it shall only guarantee to him the actual loss that he has borne." Therefore the amount insured, the sums paid, the designations, and the values contained in the policy can not be set forward or invoked as a recognition, proof, or presumption of the existence or the value of the objects insured, either at the time of the insurance or at the time of the fire. It has been decided in the French courts that an effort made by insured parties to collect damages in excess of the losses sustained vitiates the whole policy. Where a mill had burned down the application for damages stated the use of five pairs of stones. It was proven that only four pairs were used, and the court declared the policy null and void.

Any concealment of the value of objects insured, any attempt to exaggerate their value after a fire, will justify the cancellation of the entire policy. A company near Paris manufacturing margarine claimed 86,000 francs (\$16,598) damages for the destruction of their works by fire. They refused to show their books to the adjuster, and he obtained evidence that large quantities of their goods had been removed a few days previous to the fire. The Tribunal de Commerce de la Seine (Paris), in a long decision, set forth that it was declared in the policy of insurance that any attempt to obtain damages in excess of losses should vitiate the policy, and declared the policy null and void. The court in this case enumerated a long series of facts establishing the belief that the plaintiffs were asking more damages than they had incurred.

RISKS COVERED BY POLICIES.

Consul-General Robert P. Skinner, of Marseille, reports as follows:

Insurance policies in France are usually written to cover losses upon buildings and contents, with the following division of risk in addition to the primary risk:

(1) The location risk, or responsibility of tenant toward proprietor, under the terms of articles 1733, 1734, and 1735 of the Civil Code, for material loss caused by fire to rented property; (2) the neighborhood risk, or responsibility of the assured toward his neighbors or cotenants, above, below, and on every side, by application of articles 1382, 1383, 1384, and 1386 of the Civil Code, for loss caused by the communication of fire to their properties susceptible of being assured; (3) the responsibility of a proprietor toward his tenant, in cases foreseen by articles 1386 and 1721 of the Civil Code, for damage to furniture or merchandise resulting from a structural defect or lack of care in the building rented; (4) the responsibility of a proprietor toward his tenant for material losses caused to their furniture or merchandise by a fire resulting from the fault of such owner or his responsible agents (arts. 1382, 1383, 1384, and 1386 of the Civil Code); (5) the lost rentals or amount of rents of which proprietors are deprived by reason of a fire or the responsibility which tenants may incur under this head.

A policy covering property in the city of Marseille, and written by an English company, is now before me, in which the various risks of a tenant are thus proportioned: Location risk, 54.51 per cent and 0.25 per cent premium; contents of house, 27.27 per cent and 0.60 per cent premium; neighborhood, 18.18 per cent and 0.10 per cent premium.

FIRE INSURANCE BUSINESS IN FRANCE.

Consul-General Skinner also submits the following:

On numerous occasions French insurance agents have solicited suggestions with regard to obtaining the representation of American fire insurance companies in this country organized to underwrite the original policies of French and other companies. There appears to be a profitable business to be done in reinsurance in this country, which is now divided, as far as I am able to ascertain, among ten British, five German, three Austrian, one Belgium, one Roumelian, two Spanish, four French, two Portuguese, one Swiss, three Russian, and three Scandinavian companies.

The French Government does not publish statistics concerning fire insurance companies. I have obtained from unofficial sources, however, statistics setting forth the operations of nineteen fire insurance

companies in France during a series of years, which establish very clearly the proportion of losses to dividends in this country.

Business of nineteen fire insurance companies in France, 1894-1903.

Year.	Premiums collected.	Losses.	Per cent.	Commissions.	Per cent.	Dividends paid to stockholders.
	<i>Dollars.</i>	<i>Dollars.</i>		<i>Dollars.</i>		<i>Dollars.</i>
1894	19,199,070	9,146,713	47.62	4,591,698	28.91	3,301,844
1895	19,419,101	10,023,809	51.62	4,645,000	23.97	3,277,526
1896	19,739,030	9,606,501	48.67	4,758,076	24.10	3,472,187
1897	19,812,002	9,348,068	47.18	4,861,730	24.51	3,548,244
1898	20,383,711	10,846,762	53.21	4,903,217	24.44	3,338,804
1899	20,985,804	12,530,829	59.71	5,100,576	24.30	2,825,231
1900	21,477,198	11,722,907	54.58	5,394,949	25.12	2,989,088
1901	21,753,925	11,779,390	54.15	5,360,914	24.64	3,071,559
1902	22,253,962	11,230,996	50.47	5,556,339	24.93	3,215,863
1903	22,858,954	11,522,780	50.49	5,771,716	25.30	3,490,098

* Reduced from francs to United States currency in the Bureau of Manufactures, Department of Commerce and Labor.

FIRE INSURANCE IN FRENCH CITIES.

FIRE CONDITIONS IN HAVRE.

The following fire statistics, covering the city of Havre, were prepared by Consul A. M. Thackara:

Havre is a well-built commercial city situated at the mouth of the Seine River. According to the census taken in 1901 its population was 130,196, which includes 2,557 men belonging to the two arms of the French military service. The number of buildings of all kinds, most of which are of stone or brick, is 12,500. The city has an area of 2,585 acres.

The fire department is paid by and is under the control of the municipal government. It consists of a captain commanding the fire company, 1 lieutenant, 1 sublieutenant, 1 surgeon, 1 assistant surgeon, and 49 noncommissioned officers and men. There are three stations at which firemen are stationed permanently, and six substations where fire apparatus is kept in reserve. There are two American steam fire engines belonging to the city fire department, and one owned by the chamber of commerce. Besides these there are extension ladders, bucket wagons, hand pumps, pumps for pumping out vessels, hose carts, air filters (Mamgy system), fire extinguishers, etc. All places of amusement have special fire services, and, by law, whenever there is a performance at least one fireman must be present. There is no automatic fire-alarm systems in Havre, the alarms being sent to the central station either by telephone or by personal conveyance.

The number of fire alarms during 1904 was 124, of which 57 were for fires in dwelling houses, 3 for fires in factories or business houses, 1 for fire in a public institution, 54 for chimney fires, 3 for ship fires, 3 for pumping out sunken vessels, and 3 for brush fires. There were no false alarms in 1904, and the fires were confined to the places of origin. The total fire losses were \$119,142, divided as follows: Dwelling houses, \$14,246; factories and business places, \$97,176, and ship fires, \$7,720. Of the above losses, \$117,078 were insured and \$2,064 uninsured.

PRIMITIVE EQUIPMENT IN MARSEILLE.

The following is from Consul-General Skinner:

The means of fighting fire in this city are extremely primitive. A fire-alarm system is nonexistent, and in a population of 491,161 there are but ten fire department stations, none of which is equipped with either sufficient or modern appliances. The statistics covering the year 1904, as reported to me by the chief of the local fire department, and arranged in the order of the questions in the Department circular, are as follows:

Population, 491,161; area, 56,342 acres; number of stone, brick, and cement buildings, 41,972; number of wooden buildings, 5,415, in which are comprised sheds connected with factories and mills, as very few wooden buildings are occupied as private residences; number of fire alarms answered by the department, 463, of which 5 were false.

The fire calls answered are thus classified: Serious fires, 13; ordinary fires, 199; fires without gravity, 204; ship fires, 4; aid and various forms of assistance, 38; false alarms, 5; number of fires in brick, stone, or cement buildings, 379; in wooden buildings, 20; in other structures, 21; number of fires limited to the place of origin, 391; number of fires communicated to adjoining buildings, 21; number of fires communicated beyond contiguous buildings, 8—total, 420; number of fires limited to the floor in which they originated, 321; total losses, insured and noninsured, approximately, calculated according to the declarations of interested persons, 1,858,900 francs (\$358,767). The means within the control of the fire department and the difficulty in securing information make it impossible to reply in a definite manner in regard to losses. The chief estimates the total direct loss at 80 per cent and the indirect losses at 20 per cent of the whole.

STATISTICS OF NICE.

The following fire statistics for the city of Nice were prepared by Consul Harold S. Van Buren, of that place:

Nice has a population of 127,027. It should be noted that this embraces only persons domiciled, who are householders, or who follow trades or occupations, and is not intended to include either season visitors or the very large number of tourists who frequent Nice during the winter months. I think I am making a very fair estimate in stating that there are fully 60,000 more persons in Nice during the winter months and fully 80,000 more during the carnival season.

The area of the city is about $27\frac{1}{2}$ square miles. The number of brick, stone, and wooden buildings in 1904 was 9,421. The statistics make no mention of wooden buildings, nor, indeed, of brick buildings. It may be stated, to all intents and purposes, that there is none of the latter description of buildings. There may be a few sheds of wood or detached stables of a temporary character, but not sufficient to form a portion of the statistics. During 1904 there were 120 fire alarms, of which 11 were false.

The number of fires was as follows: Stone buildings, 97, of which 47 were merely chimney fires; wooden sheds, 3; forest fires, 9; fires confined to places in which they originated, 106; extending to adjoining buildings, 2; extending beyond adjoining buildings, 1.

FIRES IN PARIS.

Consul-General John K. Gowdy writes:

The statistics of the fire brigade have just been issued by the prefecture of police for the year 1904. Paris has a population of 2,714,068 within its walls, occupying a space of 30 square miles. In the year 1903 there were 2,821 calls, of which 421 were false. In 1904 the number of alarms given was 3,460, of which 440 were false. Of this number 1,466 were simply chimney fires; 1,208 were extinguished without the aid of engines; 326 were extinguished with 1 to 3, and 20 with 4 and more hose, there being only 7 fires at which more than 10 hose were employed. The percentage is therefore only 0.45 of big fires in Paris during 1904. The damage done by the 1,554 fires amounts to 6,561,047 francs (\$1,266,282). Of these only 4 buildings were not covered by assurance, and 293 persons had not made provision against loss of their furniture.

The Paris fire brigade consists of 1,855 officers and men (52 officers and 1,803 men). There are now 12 automobile fire engines in use. The fire-brigade budget for 1904 amounted to \$586,028. During 1904 a new service, called "service de protection," or salvage corps, was introduced, but no opinion has yet been given by the authorities as to its proficiency.

FIRES IN OTHER FRENCH CITIES.

Lyon.—The following information, from Consul John C. Covert, deals with fire insurance in Lyon:

I was informed, on applying to the offices of insurance companies in this city and to public officials, that no fire statistics could be had in Lyon, and my letters addressed to insurance men in Paris received no answer. At my request the mayor of Lyon wrote to Paris, and his answer has just come to hand:

Mr. CONSUL: In answer to your letter of May 8, I have the honor to inform you that the number of fires occurring in Lyon in 1901 was 433. The losses amounted to 1,602,307 francs (\$309,345.25).

There is no means of obtaining the number of alarms and the number of stone and brick and frame buildings in the city. With rare exceptions, the buildings are stone or brick. An official in the office of the mayor informed me that there are no wooden buildings in the city, except a few old sheds, constructed without permission and permitted to remain, as they are in open fields and of no danger, being some distance from other buildings. Nearly all the fires are confined to the buildings in which they originate.

Nantes.—The following fire statistics of Nantes are submitted by Consul Goldschmidt:

Nantes has a population of 132,990 and an area of 3,707 acres. It contains about 9,000 stone or brick buildings and few wooden buildings. In 1904 fires occurred in 20 stone or brick buildings and in 2 wooden buildings; 18 fires were confined to places of origin, 2 extended to adjoining buildings, and 2 extended beyond adjoining buildings; 13 fires were confined to floors on which they originated. The total fire losses were: Insured, \$84,167; uninsured, \$9,650; losses on buildings and contents in which the fires originated (direct losses), \$57,900; losses on buildings and contents in which fires did not originate (exposure losses), \$26,248.

Rheims.—Consul Prickett contributes the following fire statistics for Rheims:

Rheims, with an area of 15½ square miles, has a population of 110,000. Its brick and stone buildings number 11,232. There are no wooden buildings in the city. The number of fire alarms—there were no false alarms—in 1904 was 85; fires in brick and stone buildings, 82; fires in other than buildings, 3. All the fires were confined to the place of origin. Fires confined to floor on which they originated numbered 33. The fires were divided as follows: Fires where the building was destroyed, 17; confined to one floor only, 33; chimney fires, 29; cellar fires, 3; hay and straw stacks, 3.

Toulon.—Consul-General Skinner, of Marseille, supplies the following fire statistics for Toulon:

Toulon, in the Department of Var, has a population of 101,602, and an area of 11,433 acres; the number of brick and stone buildings, 7,873; wooden buildings, 157; number of fires in 1904, 267, not including furniture fires; none of any importance. The fires confined to the floor of origin numbered 243. Total fire loss reported was 287,000 francs (\$55,391); direct losses, 235,000 francs (\$45,355); indirect losses, 52,000 francs (\$10,036).

GERMANY.

FIRES AND FIRE LAWS IN BERLIN.

Concerning fire insurance in Berlin and suburbs, Consul-General Frank H. Mason writes:

FIRES.

The only available statistics on this subject are those which relate to the city and immediate suburbs of Berlin, which in this respect are treated as constituting one municipality. In the records of the fire department the fiscal or business year ends on March 31, and the latest statistics published are those for 1904.

The population of Berlin, including immediate suburbs, is about 2,863,088, and its area 15,688 acres. The number of brick and stone buildings October 1, 1903, was 37,000, insured for \$1,025,898,000. Wooden buildings are not permitted in Berlin.

Fires are divided in department records into three classes, viz: Large, which destroy all or a major part of the building in which they originate; medium, which are confined to the story or floor in which they begin, and small, which are extinguished either with or without the aid of the firemen, in the room where they originate.

Record of fires in Berlin for ten years (1895–1904).

Year.	Large.	Medium.	Small.	Total.
1895	69	136	6,067	6,272
1896	92	167	7,025	7,284
1897	79	172	7,598	7,849
1898	109	202	8,129	8,440
1899	92	184	8,884	9,160
1900	104	174	9,757	10,035
1901	88	177	10,795	11,060
1902	94	186	11,148	11,428
1903	96	231	12,487	12,814
1904	104	176	12,323	12,603
Total	927	1,806	94,945	96,945

The character of these fires in 1904 may be judged from the fact that of the whole 12,603 only 1,923 were sufficiently serious to justify sounding the alarm or calling out any part of the fire department. The remaining 10,680 fires were extinguished by people on the premises or in the neighborhood by the use of water or chemical extinguishers and without the aid of the firemen. Of the 1,923 cases in which the fire alarm was sounded, 104 were "large," 176 "medium," 1,558 were "small," and 85 were only the burning out of soot in foul chimneys. Of the whole 12,603 fires of all grades and classes, 11,315 occurred in dwellings, 696 in stores and business offices, and 308 in factories and workshops. The whole number of false alarms turned in during the year was 430, of which 31 are classed as "malicious."

INSURANCE REGULATIONS.

The insurance on buildings in Berlin is compulsory; that is, the owner of every building is compelled by law to insure it, from the time the construction reaches the first story, in a municipal organization known as the "Stadtische Feuer Societät," or City Fire Insurance Association. Every building within municipal limits is required to be insured in this organization for what is known as its "Minderwerth," or mortgageable value, which is carefully estimated and fixed by the expert officials of the department. The fact that mortgages on Berlin property are limited to its insured value renders them among the safest of all securities. The "Minderwerth," or nominal value of buildings on which the insurance is based, does not include the value of subterranean pipes, lighting and heating apparatus, pumps, elevators, business signs, etc., all of which are really included in the risk, and the collective values of which, added to that of the building itself, constitute the "Gemeinwerth," or common value of the property. These fixtures, which constitute the difference between the nominal (Minderwerth) and the common value, may be insured in private companies, but always within carefully prescribed limits. No proprietor is allowed to pile up private insurance on his property until its destruction by fire would become profitable to himself.

As has been already stated, the nominal or insurable value of buildings in Berlin during the fiscal year 1894 was 4,310,495,800 marks (\$1,025,898,000). The percentage of premium charged for such insurance is calculated from year to year so as to produce an income that covers three items of expenditure, namely: Losses on property through fires, expenses of administration, and the cost of maintaining the fire department. For the fiscal year 1904, now under consideration, the premium rate was $4\frac{3}{4}$ pfennigs per 100 marks, or 4.75 per mille—that is, somewhat less than one-half of one-thousandth per cent, and the sums of the different items paid were as follows: Losses paid on 2,040 fires, 840,062 marks (\$199,935); costs of administration, 150,092 marks (\$35,722); maintenance of fire department, 1,063,868 marks (\$253,200); total, 2,054,022 marks (\$488,857). Furniture and all movable property in buildings may be insured in private insurance companies, but there appears to be no trustworthy statistics to show the amount of such insurance effected in Berlin during any given year. The ordinary premium rate for such insurance is three-fourths per mille, so that, including registration fee,

stamp, etc., the cost of a chattel insurance policy of, say, 30,000 marks (\$7,140) would be 26.30 marks (\$6.25) per annum.

Fires which escape control and extend until they destroy adjoining buildings or an entire block are so rare in Berlin as to be left out of account in the records, and there appear to be no statistics which divide the direct from the exposure losses.

BUILDING REGULATIONS AND INSPECTION.

The comparative immunity of Berlin from disastrous fires results, not from the efficiency of its fire department—although it does promptly and well what work it has to do—but from the absence of wooden houses and the solid, careful construction of all kinds of stone and brick buildings under the rigid scrutiny of the building police, which, acting under an elaborate and searching statute, have authority to compel the use of iron and steel girders, fireproof stairways and roofing, heavy fireproof ceilings, and every detail of construction which can diminish the risk of conflagration. The exactions of the building police seem sometimes excessive. They involve delays and expenditures that had not been reckoned upon, and which are annoying to contractors and owners of buildings, but the wisdom of such restrictions is shown by the comparatively trifling fire losses in a great capital city like Berlin, where, as has been shown above, they amount to less in a whole year than those entailed by one moderately large fire in the United States.

Another important factor in the case is the strict and carefully enforced regulations concerning the storage, handling, and transportation of highly inflammable substances and explosives. The scrutiny of the building police extends to every detail of apparatus for heating and illumination. The wires of electric-lighting plants must be inclosed, wherever they may be located inside a building, in non-combustible sheaths or tubing, with every practicable provision against breakage or short circuits. The construction and setting of stoves, the thickness of walls and floor foundations in proximity to stoves, furnaces, and fireplaces of all kinds, the construction of flues, ash bins, and chimneys, are all carefully regulated, and subject to periodical inspection by the police. Gas stoves must be supplied with gas through fixed iron pipes; rubber tubing may not be used for that purpose. If any flexible tube is used it must be sheathed with asbestos. Finally, every chimney, whether in use or not, provided it is connected with an inhabited building, must be periodically cleaned by a member of the authorized force of chimney sweeps. The net result of the whole enforced system of construction, maintenance, and constant inspection is the practical immunity of Berlin from serious conflagrations and the important economies thereby secured in losses by fire and expenses of insurance.

NÜREMBERG AND ALL BAVARIA.

Covering fire insurance in the city of Nuremberg and in all Bavaria, Consul George E. Baldwin writes:

FIRE STATISTICS OF NÜREMBERG.

The city of Nuremberg, in the Kingdom of Bavaria, is the largest manufacturing center in southern Germany. It has a population of

285,000 inhabitants and an area, including the suburbs, of 14,000 acres. The insurance of buildings against fire is a Government monopoly, while the insurance of the contents of the buildings, viz, furniture, merchandise, etc., is in the hands of private fire insurance companies. Neither of these two methods of insurance is compulsory; it is customary, however, for house owners to have their property insured against fire under both systems, viz, the buildings, with all fixtures, including machinery, etc., by the Royal Fire Insurance Institute, and the furniture, merchandise—in fact, everything movable—by one of the private fire insurance companies. Of course, tenants insure their personal effects themselves. There are 27 such fire insurance companies doing business in this city, of which 24 are home offices, 2 Swiss, and 1 English.

The Royal Fire Insurance Institute divides all buildings in this Kingdom into four classes, viz: Buildings of solid stone or brick, with either tile or slate roofs; buildings of stone, brick, or mortar interwoven with wooden framework, with either tile or slate roofs; wooden buildings or buildings of mortar with wooden framework, both with tile or slate roofs, or solid or brick buildings with roofs of either straw or wood, and all other buildings.

There is in Nuremberg the following number of houses under the foregoing classes, viz, class 1, 20,211; class 2, 7,975; class 3, 12,222; class 4, 262.

In 1904 there were 117 alarms given in this city, 4 of which were false. The causes of the 113 fires were as follows: Carelessness, 47; dangerous or faulty construction of buildings, 10; self-ignition or explosion, 21; various, 10; unknown, 25.

These fires occurred in the following places: Main front buildings, 77; rear buildings, 14; factories or warehouses, 19; on a farm, 1; in various buildings, 2. Furthermore, 11 occurred in garrets, 69 on central floors, 9 in cellars, and 24 were chimney fires. Eight were large fires, requiring more than one hose with one steam pump; 18 were medium, requiring 1 hose with 1 steam pump; 87 were small fires, extinguished with hand pumps.

The Royal Fire Insurance Institute keeps a record only of fires through which the buildings were damaged, and not of all fires during the year, of which some did practically no damage and others only to the contents of the buildings. I was informed by the above institute that the damage done to buildings for the fiscal year ending September 30, 1904, was as follows:

By fire in class 1, 52; in class 2, 8; in class 3, 6; in class 4, none. Among these 66 fires, there were 4 in which buildings of both the first and third classes were damaged.

Of these 66 fires, 55 were confined to place of origin; 8 extended to adjoining buildings; 3 extended beyond adjoining buildings.

For the damages done to buildings in this city during the fiscal year ending September 30, 1904, \$8,583 was paid out. The uninsured loss in buildings is unknown. One fire broke out in an uninsured building and extended to insured buildings. Of the amount paid out, \$8,328 was expended for the damaged buildings in which the fires originated and \$225 for 13 damaged buildings to which the fires extended.

The total sum paid out by all fire insurance companies in this city for losses of furniture, merchandise, and other chattels amounted in

1904 to \$8,713 (183 fires), as compared with \$50,369 in 1903 for 164 fires.

CONDITIONS IN KINGDOM AT LARGE.

The report of the Royal Fire Insurance Institute, which insures only houses and factories, including machinery and all other fixtures, for the fiscal year ending September 30, 1903, shows that the total sum of insurance in the Kingdom of Bavaria, which has an area of 29,343 square miles and a population of 6,500,000, amounted to \$1,556,472,085, upon the following classes of buildings:

Class 1, \$950,306,492; class 2, \$150,956,870; class 3, \$345,772,147; class 4, \$109,436,574. For 2,825 losses by fire \$1,607,685 was paid out to 4,061 persons in this Kingdom. The causes of the fires were as follows: Lightning, 441; self-ignition, 109; explosion or dangerous method of building, 491; carelessness, 888; arson, 486; unknown, 366.

The Government makes the following charges, percentage per annum, for this kind of insurance on the estimated value of buildings: Class 1, 10 per cent; class 2, 13; class 3, 20; class 4, 25. The estimated value of the buildings is reached by a committee chosen by the Royal Government, and the premiums are paid annually. Whenever there has been a year with comparatively few losses the Government foregoes part of the aforesaid premiums for the succeeding year, so that, for instance, for the fiscal year ending September 30, 1905, only half of the premiums will have to be paid.

INSURANCE IN WURTTENBERG.

Of fire insurance in the Kingdom of Wurttemberg, Consul E. H. Ozmun, of Stuttgart, writes:

This consular district embraces all of the Kingdom of Wurttemberg and the principality of Hohenzollern, which is under Prussian jurisdiction. The Kingdom of Wurttemberg has an estimated population of 2,250,000 and an area of 7,534 English square miles.

Under the laws of the Kingdom every building must be insured by the government insurance bureau, which is called the Royal Building Insurance Institution. The annual premium is collected by the government, just like any other tax. The government does not insure household effects; this is left to private insurance companies. Every building is assessed by the government while it is in course of construction, and as soon as a building is finished a commission assesses the same and the building is insured accordingly. If the owner of the building considers the amount of insurance too low, he has the right to insure his building for the difference in a private company; this, however, is rarely done.

The following table gives the statistical report of the Royal Building Insurance Institution for the last five years:

Fire insurance in Wurttemberg, 1899-1903.

Year.	Build- ings insured.	Amount of insurance.	Average insurance per building.	Losses paid.	Cases in which losses were paid.
	<i>Number.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Number.</i>
1899.....	839,806	649,400,289	1,015	687,523	1,019
1900.....	846,433	674,353,982	1,043	708,832	830
1901.....	850,807	699,280,521	1,074	828,732	1,020
1902.....	855,579	724,351,904	1,105	719,583	994
1903.....	860,087	750,517,282	1,137	(a)	(a)

^a Not published.

FIRE STATISTICS OF OTHER DISTRICTS.

Bremen.—Consul H. W. Diederich supplies the following statistics for Bremen:

The city of Bremen covers an area of 13,185 acres, and has a population of 203,847. It contains 26,000 stone and brick buildings, but no wooden buildings. According to a report of the fire department for the year 1904, 396 fire alarms were sent in, of which 50 were false; 346 fires occurred in brick and stone buildings, of which 339 were confined to the building of origin, while 7 extended to adjoining buildings, but none beyond adjoining buildings; 324 fires were confined to the floor on which they originated. The losses caused by fire in 1904 were as follows: Losses on buildings and contents in which the fires originated (direct losses), \$75,738; losses on buildings and contents in which the fires did not originate, \$2,634; total losses, \$78,372.

Brunswick.—Consul T. J. Albert, of Brunswick, writes:

Population of Brunswick, 133,100 (present official estimate); area, 3,274.47 acres; brick and stone buildings, 8,149; frame buildings, 8,366.

During the fiscal year ended March 31, 1905, there were 98 fire alarms, of which 11 were false, the latter caused in part by error and in part by mischief. These 87 alarms are classified as follows: Large fires, 15; medium, 10; small, 46; chimney fires, 8. Fires confined to building or place of origin were 87, all being confined to the floor upon which they originated. The total loss is only to be ascertained where the fire insurance companies have paid damages. The amounts paid for damage to buildings were as follows: For immovables, \$22,275; movables, \$7,282; total, \$29,557. No damage was caused to buildings and contents outside of where the fires originated.

Frankfort.—Covering the fire statistics for Frankfort, Consul-General Richard Guenther writes:

According to information kindly furnished by the fire authorities there are no wooden buildings in Frankfort, all being stone and brick. The number of alarms during the fiscal year ending March 31, 1904, was 294, of which 46 were false. Of the fires 27 were outside of buildings, 160 were confined to the place of origin, and 86 were extinguished before the arrival of the fire department. No fire extended to adjoining buildings. The insurance was \$6,420,892, and \$99,492 were paid for losses on buildings and contents. The population of Frankfort April 1, 1905, was 324,500; its area, 22,584 acres.

The number of buildings in Frankfort in 1900, the latest year for which statistics in this regard can be given, was 15,631 dwellings, and 1,032 buildings used for other purposes than dwellings.

Grand Duchy of Hesse.—Consul Walter Schumann, of Mainz, submits the following concerning fire insurance in the Grand Duchy of Hesse:

The Grand Duchy of Hesse collects from fire insurance companies insuring other than real property a tax of 4 per cent of the gross premiums per annum. It also transacts a Government insurance business, insuring all buildings erected within the Grand Duchy against fire, and every owner of a building is compelled by law to insure his building with the Government. This insurance is on mutual lines.

Hamburg.—Consul Hugh Pitcairn supplies the following statistics:

Population of Hamburg, 772,852 in the city proper and 67,875 in the suburbs; total population, 840,727; area, city, 29.70 square miles; suburbs, 130.65 square miles; total, 160.35 square miles.

Number of brick and stone buildings, 42,301; the number of wooden buildings can not be ascertained.

During the year 1904 there were 2,309 alarms, of which 356 were false. Damages paid for losses on buildings amounted to \$185,973 in the city proper and to \$24,412 in the suburbs; total, \$210,385.

Leipzig.—Of fire statistics in Leipzig Consul S. P. Warner writes:

The population of Leipzig is 496,370; its area is 22.05 square miles; number of brick and stone buildings, 15,402; there are no wooden buildings. In 1904 there were 1,247 alarms, of which 95 were false. The number of fires during the year in brick or stone buildings was 1,070; in other buildings, 82. All the fires (1,152) were confined to the places of origin and 1,039 of them were confined to the floors on which they originated.

It is impossible to give accurate statistics as to the losses caused by fire in this district, as the insurance companies, with one exception, refuse to publish such statistics. The losses paid by the Landesversicherungsanstalt (the one company which kindly supplied statistics) during the year 1904 amounted to 50,065 marks (\$11,915.47) for 303 fires.

NETHERLANDS.

CONDITIONS IN ROTTERDAM.

The following is from Consul-General Soren Listoe, of Rotterdam:

The population of Rotterdam is 372,495 and its area 23.11 square miles. All buildings are constructed of brick, with the exception of a few temporary sheds built of wood. The total number of buildings in Rotterdam is 118,290, of which 80,716 are used for residence purposes.

The fire brigade at Rotterdam is volunteer, its members serving gratuitously. When a fire is reported by anyone to a chief or fire-pump master, the fire brigade is called out. Even the cry of "Fire!" in the streets will cause the firemen to go to the alleged scene of the fire with their 5 steam engines and 46 hand pumps. No record is kept of the number of times the fire brigade is called out by such alarms, whether true or false. For fires of some importance alarm

horns are sounded by the policemen in the streets; such official alarms were sounded 30 times during the year 1904.

I am informed by the president of the committee of chiefs of the Voluntary Rotterdam Fire Brigade that the total number of fires in Rotterdam in 1904 was 361, of which 44 were regular conflagrations, 162 extinguished at the start, and 155 were chimney fires. Of these, excluding the chimney fires, 42 occurred in brick buildings; 143 were extinguished at the start. One conflagration and two commencements of fires occurred in wooden buildings. Of fires other than in buildings there were: 1 conflagration of a haystack; 17 fires extinguished at the start, of which 5 were in vessels, 5 on open lots, 1 on a quay for discharging merchandise, 1 on the slanting wall of a harbor, 1 in a railroad car, etc. With the exception of one, all fires in 1904 were confined to the building or place of origin, and no fire extended beyond adjoining buildings. Of the 44 conflagrations, 34 were confined to the floor on which they originated, while the 162 fires extinguished at the start were confined to the floor or place of origin.

There being no professional fire department at Rotterdam, but few records are kept, and as to the losses incurred on buildings and contents by fire and exposure no statistics are compiled by the committee of chiefs of the Rotterdam Voluntary Fire Brigade. While this committee submits an annual report to the mayor and aldermen of the community of Rotterdam, this report does not even contain all the information given in reply to the questions submitted by the National Board of Underwriters, and I have been able only to answer them by the courtesy of the president and secretary of the aforesaid committee. I have also tried to ascertain the amount of losses suffered by fire and the amount of exposure losses from the Rotterdam Society of Underwriters and from other sources, but find that the figures representing such losses are unknown and that no statistics exist with reference thereto.

AMSTERDAM.

Consul Frank D. Hill sent the following statistics for the city of Amsterdam for 1904:

Population, 551,416; area, in acres, 10,856; number of buildings (brick, stone, and wood), 43,513; fire alarms, of which 818 were false, 2,401. Fires: In buildings, of all sorts, 1,480; other than buildings, 98; on board ships, 5; total number of fires, 1,583; confined to buildings in which they originated, 1,480; confined to floors on which they originated, 850; extending to other than the floors on which they originated, 95. Total losses can not be given, as no record is kept. There were 1,564 losses of over 300 florins (\$120.60) each reported.

NORWAY.

GOVERNMENT FIRE INSURANCE.

Consul E. S. Cunningham transmits the following:

The act of the Storting of August 19, 1845, makes provision for the most important branch of insurance conducted by the Government, and creates "Den Almindelige Brandforsikrings-Indretning for

Bygninger" (General Fire Insurance Organization for Buildings). This act provides for insurance against fires, including lightning and such damage as may be committed in extinguishing fires, at a very moderate rate, regulated by the law and its numerous amendments and conducted under the supervision of a royal commission. The manner of administering the institution is prescribed by the King. The insurance is under the supervision of the department of public works, but under the immediate control of a board of 36 members chosen from those interested (policy holders), and still more directly governed by a managing director and five associates selected by the King, Storthing, and policy holders. Insurance in this organization is optional, but if one desires to insure in it the law provides for the manner of application and for the valuation of the property by certain recognized Government officials in the immediate vicinity of the property. From the date of valuation by these officials, or their appointees, the property is insured and the insured is liable for premiums from that date.

The risks taken are of two classes, those of city and country; the city rate, including country risks similarly exposed, is much higher than the country rate. The rate of premiums is on a graduating scale, according to location of risk and its exposures, and is fixed by the act creating the organization and the subsequent amendments. The rate is a fixed one, and still it provides that in case of great loss, after the funds of that branch of insurance have been exhausted, together with its income and reserve, a special assessment may be made for the payment of the losses. This special assessment is against all (including the burned) who are on the date of the loss insured in the organization, and all assessments and premiums are a prior lien on property insured. So, while the usual rate is low, it may at times happen that a special assessment becomes burdensome, as in 1904, after the Aalesund fire, in which the entire city was burned down, when a special assessment of three years' insurance was made to pay the losses. These special assessments may be and usually are distributed over considerable time, as in the case of Aalesund it will not be paid for five years. When the reserve becomes half a per cent in the country and 2 per cent in town it is distributed to policy holders.

These policies provide that a similar structure must be rebuilt on the same site and devoted to the same object as the one destroyed. In case of loss the indemnity is to be paid in installments; 25 per cent in three months after loss, the remainder as the work advances in reconstruction. This feature would make the organization very objectionable to many. Unless the rules permitting grants to alter former plans are very liberal it would be out of the question to consider insurance by this method. In this organization is written the principal part of fire insurance in Norway.

The original act creating the institute has been amended as follows: June 23, 1854; March 3, 1860; May 26, 1866; June 20, 1866; June 17, 1869; May 3, 1873; November 20, 1876; June 1, 1876; May 31, 1890, and June 24, 1890; but these amendments appertain chiefly to the manner in which valuations are to be made and the administration of institutes, the expenses of which are paid from the premiums.

FIRE STATISTICS OF CHRISTIANIA.

Concerning fire statistics for Christiania, Consul Henry Bordewich writes:

The population of Christiania is 222,373; area, about 6½ square miles; number of brick and stone buildings, 6,910; number of wooden buildings, 1,150. In 1903 there were 315 fire alarms, of which 18 were false. There were 268 actual fires and 143 insignificant fires, of which the city fire department had no notice, no alarms being given, but their occurrence was reported to the department at the end of the year by the interested insurance companies.

The total sum of all fire insurance in Christiania for the year 1903 was \$187,000,000, viz, on buildings \$109,750,000 and on chattels \$77,250,000. As a result of all fires in the city in 1903, 2 buildings were totally destroyed, 17 much damaged, and 115 slightly injured. The losses as paid by the insurance companies were: On buildings, \$102,000; on chattels, \$105,000.

As compared with the sum of the policies involved, the losses paid were 0.9319 per cent on buildings and 1.3612 per cent on chattels.

RUSSIA.

The following report was prepared by Consul Thomas E. Heenan, of Odessa:

GOVERNMENT FIRE INSURANCE.

The establishment of insurance institutions in Russia was originally due to the initiative of the Government. The first attempt in this direction was made in July, 1786, when the State Loan Bank was ordered to insure stone buildings, including factories, in all the towns of the Empire. In 1797 this movement was extended to goods and merchandise, and an insurance office, called the "State Assignment Bank," was established. The Government scheme, however, met with no success, and since the beginning of the nineteenth century the Government has endeavored to attract private initiative to this work by granting various privileges to insurance companies. The measures taken had so much success that during the second half of the century it was not deemed necessary to continue the privileges. Still, insurance in private companies, owing to the high premiums and to its complicated nature, was only accessible to that portion of the population which were in easy circumstances. This condition left the peasants, and still more the poorer residents of the towns, for whom insurance was particularly important, entirely at the mercy of fire.

After the abrogation of serfdom the Government promulgated a series of legislative acts by virtue of which in all the Provinces of European Russia and in a part of Asiatic Russia insurance establishments were opened belonging to the Zemstvos, where there were such, and to the Government in the other provinces. About the same period the mutual life insurance societies, to which the law accorded certain privileges, began to be established in certain towns.

STATE INSURANCE.

The State insurance has for its object immovable property, and is divided into obligatory and optional. Obligatory insurance applies to the buildings of peasants in those provinces of Russia which have no Zemstvos, and applies also under certain conditions indicated by law to constructions in towns in Siberia and in Poland, not excepting the buildings in the town of Warsaw, which are placed in somewhat peculiar circumstances.

For every province, as well as for Warsaw, there is a special State institution placed under the ministry of the interior or the ministry of war in those provinces which are under war administration. Optional State insurance concerns only five provinces and applies to such buildings as are not included in the obligatory insurance. The operations of optional State insurance are very limited. The following table indicates the situation of obligatory State insurance from 1870 to 1895:

Extent of obligatory State insurance in Russia at stated periods.

Items.	1870.	1880.	1890.	1895.
In 20 provinces in Europe and Siberia:				
Amount of insurance	\$24,985,800	\$48,911,610	\$100,864,295	\$108,343,640
Amount of premiums paid	249,775	407,880	953,265	1,249,590
Indemnities for fires	122,570	274,070	828,635	588,130
Reserve capital in cash at the end of the year	436,205	1,697,955	4,667,960	6,980,310
For 10 provinces of Poland, exclusive of Warsaw:				
Amount of insurance		135,120,550	201,006,045	224,207,825
Amount of premiums paid		1,080,770	1,887,475	1,602,165
Indemnities for fires		1,070,170	1,538,110	1,526,975
Reserve capital in cash at the end of the year		579,375	1,591,350	2,013,650

* Particulars regarding the provinces placed under the charge of the ministry of war are not included in this table.

INSURANCE BY ZEMSTVOS.

In the provinces where the Zemstvos exist insurance has likewise two forms—obligatory for all the peasants' buildings, and optional for all others. In some provinces there exists optional insurance of movable or personal property.

Statement of obligatory Zemstvos insurance at stated periods.

Designation.	1870.	1880.	1890.	1895.
Amount insured	\$150,872,340	\$274,647,955	\$400,362,090	\$441,800,990
Amount of premiums paid	2,247,480	4,320,850	5,044,940	6,063,610
Indemnities paid for fires	1,499,465	3,204,845	6,856,130	4,009,790
Reserve capital in cash at the end of the year	1,636,677	4,681,865	9,005,805	14,084,220

As to the optional insurance of movable and immovable property, according to the particulars of 1895, there had been insured \$88,005,000 worth of immovable and (in seven provinces) \$4,429,000 worth of movable property.

MUTUAL INSURANCE COMPANIES.

The shareholding companies engaged in fire insurance occupy the principal place among the private enterprises in this line. The data for the year 1897 show that 13 companies were operating and that these had insured 6,600,000,000 rubles (\$3,399,000,000) worth of goods; they received 38,000,000 rubles (\$19,570,000) in premiums, and paid 33,000,000 rubles (\$16,995,000) for damage, caused by fire. At the end of the year 10,500,000 rubles (\$5,407,000) premiums had been placed in the reserve.

Among the insurance enterprises based upon the mutual responsibility of the insured, the greatest progress has been made by those companies which insure immovable town property against fire. Some of these societies also insure movable property. In the year 1865, there existed 13 companies or societies; in 1875, 17; in 1885, 49, and in 1897, 85 societies; and these insured 700,000,000 rubles (\$360,500,000) worth of property. These societies collected in 1897 \$824,000 in premiums and paid nearly \$515,000 for damages by fire. Besides these town societies there are important mutual insurance companies based upon the same principles but with operations extending over a certain region—say the limits of a province—or for one class of risks, such as sugar factories, and landed interests; and others which lend themselves to insurance operations.

In certain regions of the Empire certain fire insurance associations of little importance have formed themselves into special spheres, mainly among people of the same race or condition. Usually these associations limit their operations to insuring peasants' buildings in one or two sub-districts. Such, for instance, are the mutual insurance companies of the German colonists, and the mutual help associations in cases of fire, which are in operation in the subdistricts of the Baltic Provinces. There actually exist 500 societies of this nature. In 1896 the Province of Livonia alone contained 35,000 persons participating in these societies, which insured over 150,000 buildings, valued at \$14,420,000. The aggregate receipts of these societies amounted to \$52,055, and their expenses to \$42,274.

In order as far as possible to consolidate the situation the shareholding insurance companies in 1895 formed a reinsurance society, constituted with their own capital and having a foundation capital of \$3,090,000. In 1897 this society received \$4,120,000 in premiums and paid \$3,862,500 fire damages. In reality the societies Pomostsk (Help) also effect reinsurance, but do not effect direct fire insurances. The mutual insurance societies in the towns, in order to cover themselves against extraordinary losses, have formed a special union under the name of the Penza Union, the responsibility of which is very limited. Life insurance in all its forms has extended itself largely since the year 1870.

FIRES IN MOSCOW.

Concerning fire insurance in Moscow, Consul Samuel Smith writes: Moscow, with a population of 1,173,427, embraces an area of 56 square miles. Statistics as to the number of brick and stone and wooden buildings have not been compiled yet.

During the year 1904 the number of fire alarms was 628, of which 52 were false. The following are given as the causes of the 576 fires: Unknown causes, 284; carelessness with fire, 90; overheated stoves, 55; defective stoves and chimneys, 42; petroleum lamps, 41; burning of soot in chimneys, 32; coal falling out of stoves, 10; high temperature, 7; supposed incendiarism, 7; bad installation of electric wires, 4; combustion of wool, cotton, gas, acids, etc., 3; ignition of explosives, 1.

The fires occurred in the following places: Lodgings in wooden buildings, 109; sheds, cellars, stables, etc., 92; lodgings in stone buildings, 91; fires in the suburbs, 33; garrets of dwellings and vacant buildings, 54; factories, works, and workshops, 39; cellars in inhabited buildings, 33; stores, warehouses, etc., 28; cellars in habitable buildings, 27; habitable buildings of partly stone and wooden construction, 20; vacant lodgings, 18; halls, storerooms, water-closets, and staircases, 15; structures in streets, courtyards, and vacant lots, 7; bath houses, water stations, etc., 5; churches, palaces, and theaters, 3; lumber yards, 2.

The losses paid by fire insurance companies in 1904 were: First Russian Fire Insurance Company, \$250,595; Moscow Insurance Company, \$169,772; Second Russian Fire Insurance Company, \$78,084; Fire Insurance Company "Rossia," \$56,992; Northern Insurance Company, \$119,000; Anchor Insurance Company, \$78,654; St. Petersburg Insurance Company, \$32,006; City Mutual Insurance Company, \$42,119; Salamandre Insurance Company, \$61,948; Warsaw Fire Insurance Company, \$26,744; Volga Insurance Company, \$17,393; Russian Insurance Company, \$35,000; Nadeshda Insurance Company, \$3,975; total, \$972,282.

Fires in Moscow, and losses paid, 1895-1904.

Year.	Number of fires.	Losses paid.	Year.	Number of fires.	Losses paid.
1895.....	510	\$972,473	1901.....	820	\$1,958,419
1896.....	486	1,062,501	1902.....	821	1,392,241
1897.....	794	1,757,563	1903.....	770	1,124,237
1898.....	657	1,221,261	1904.....	628	972,282
1899.....	643	1,734,535			
1900.....	696	2,310,939	Total.....	6,825	14,506,451

ST. PETERSBURG FIRE STATISTICS.

Consul-General Ethelbert Watts supplies the following statistics of fires and fire insurance in St. Petersburg:

The population of St. Petersburg is 1,500,000. The fire alarms in 1904 numbered 1,004, besides 144 false alarms. These 1,004 fires occurred in the following places: Living apartments, 496; sheds, stables, haylofts, laundries, basements, attics, and unoccupied apartments, 220; factories, works, and mills, 71; stores, restaurants, cellars, etc., 107; Government and public buildings, 40; bath houses, 15; on streets, yards, and open places, 13; on ships and ship landings, 9; churches and church buildings, 9; markets, 8; hotels and furnished rooms, 5; typographic and lithographic offices, 4; electrical stations, 2; lumber yards, 2; hothouses, 1; drug stores, 1; theaters, 1.

Number of fires confined in buildings or floors in which they originated, not obtainable.

The total loss, covered by insurance, was \$2,128,541.

The causes of the 1,004 fires in 1904 are reported as follows: Unknown, 315; igniting of soot in flues, 249; carelessness, 161; bad condition of stoves, fireplaces, and flues, 150; kerosene lamps, 64; igniting of petroleum, benzine, naphtha, and turpentine, 14; lamps before eikons, 11; spontaneous combustion of lime, cotton, coal, acids, and phosphorus, 6; sparks thrown by chimneys, factory machinery, and engines, 6; incendiarism, 4; combustion of gas, 4; Christmas trees, 3; igniting of tar, oils, and paints, 3; explosion of dynamite, 1; heated magnifying glass, 1; igniting of celluloid, 1.

MARINE INSURANCE IN RUSSIA.

Consul Thomas E. Heenan, of Odessa, says:

Ten Russian insurance companies (the Russia, Russian Lloyd, the North, the Anchor, the Volga, the Hope, the Commercial Company, the Russian Company of Maritime Insurance, Insurance on Rivers and Land, Transportation of Merchandise with advances on merchandise) effect transport insurance, insure merchandise carried by land, sea, or river, and also seagoing and fluvial craft. In 1896 these companies collected \$3,000,775 premium on insurance, of which they retained for their own risks \$1,313,450. They had to pay \$813,700 losses. The insurance of parcels containing valuables sent by post enters into the operation of transport insurance, the companies being responsible only for that part of the value of the parcels which is not guaranteed by the regulations of the post and telegraph administration. This operation, which in Russia began in 1897, is effected only by six companies: The first Russian Company, the Russia, the Russian Lloyd, the St. Petersburg Company, and the Russian Company. In addition to the private companies the Government also insures vessels belonging to the principal inhabitants of the Province of Archangel and which navigate principally on the White Sea and Arctic Ocean. This branch of insurance has been annexed to the fire insurance branch of the Province of Archangel. From accounts rendered for the year 1898 regarding this branch of insurance there were insured during that year 581 vessels for the sum of \$309,000. The amount of premiums paid on that sum was \$12,875, and \$5,150 losses were made good to the insured. The ultimate progress which the insurance of vessels will attain will be of essential importance in view of the measures contemplated by the Government to render more easy the access to credit against guaranty of maritime vessels, and to create in Russia mortgage registration of marine vessels.

SPAIN.

Consul-General Ridgely, of Barcelona, says the only difference the law makes between life insurance companies and fire and marine companies is that, while the former are taxed one-half of 1 per cent on all their premiums, fire and marine companies are required to pay 2 per cent. The agents of these companies are taxed 2 per cent of their commission, which will be withheld by the companies.

SWEDEN.

The following report, covering fire and marine insurance in Sweden, was prepared by Consul Robert S. S. Bergh, of Gothenburg:

DOMESTIC COMPANIES.

In 1903 fire insurance was carried on by 6 Swedish stock companies, 12 greater mutual companies, 24 county fire insurance companies, and 368 smaller mutual companies. Names and insurance figures for the county companies and smaller mutual companies are not at my disposal, however. The names and home offices of the 6 fire insurance stock companies are: Skandia, Stockholm; Skåne, Malmö; Norrland, Stockholm; Svea, Gothenburg; Fenix, Stockholm; Victoria, Stockholm.

The amount of insurance in force with them at the close of the year 1903 was, in Sweden, \$769,143,091; in foreign countries, \$592,198,500.

The 12 greater mutual fire insurance companies are Allmänna Försäkringsverket för Byggnader på Landet, and Städernas Allmänna Brandstodsbolag, Stockholm; Städernas Lösöreförsäkringsbolag, Jönköping; Järnvägs-Assuransföreningen, Stockholm; Skånska Brandförsäkringsinrättningen, and Skånska Städernas Brandstodsförening, Lund; Mellersta Sveriges Varuförsäkringsbolag, Katrineholm; Norra Sveriges Varuförsäkringsbolag, Sundsvall; Norrlands Varuförsäkringsanstalt, Bergvik; Stockholms Stads Brandförsäkrings-kontor, and Stockholms Stads Brandstodsbolag till Försäkring af Lösegendom, Stockholm. The gross amount of insurance in force with them at the end of the year 1903 was \$467,553,958.

As above stated the figures for the county companies and smaller mutual companies can not be given, but it is estimated that the fire insurance assumed by them together amounted to about \$861,218,000. Adding this to the insurance sums of the other domestic companies, and deducting \$80,400,000 for reinsurances and the engagements in foreign countries, it is reasonable to suppose that the total amount of fire insurances of the domestic companies at the close of the year exceeded \$2,144,000,000.

There are four Swedish reinsurance companies handling fire insurances, namely: Astrea, of Gottenborg; Aurora, of Malmö; Hermes, of Malmö; and Malmö Återförsäkringsbolag, of Malmö, and their gross total amount of insurances at the end of the year was \$158,381,142, indicating an increase of about \$10,450,900. One of these companies also issues life insurances.

At the close of the year 1903 the Swedish marine insurance concerns reported on consisted of 8 stock companies and 13 mutual companies.

The marine insurance stock companies are Gautiod, of Gottenborg; Stockholms Sjöförsäkrings Aktie-Bolag, of Stockholm; Ägir, of Stockholm; Ocean, of Gothenburg; Sveriges Allmänna Sjöförsäkrings Aktie-Bolag, of Gothenburg; Vega, of Stockholm; Sjöassuranskompaniet, of Stockholm, and Öresund, of Malmö. The aggregate amount of marine insurances closed by them during the year amounted to \$291,913,713 gross, and \$171,065,118 net, which indicated an increase of \$19,208,339 in the gross amount, compared with the business in 1902.

The mutual companies are Sveriges Ångfartygs Assurans-förening, of Gothenburg; Bohus Sjöassurans-förening, of Uddevalla; Försäkringsföreningen Vikingen, of Brantevik; Sjöassurans-föreningen Hoppet, of Brantevik; Halmstads Enskilda Sjöassurans-förening, of Halmstad; Kullens Enskilda Assuransförening, of Höganäs; Assuransföreningen Njord, of Simrishamn; Syd-Sveriges Assuransförening, of Landskrona; Norrlands Ångfartygs-Assuransförening, of Hernösand; Norrtelge, of Norrtelge; Skillinge Sjöassurans-förening, of Skillinge; Östra Smålands Sjöassurans-förening, of Oskarshamn, and Försäkringsbolaget Nordisk Yacht-Assurans, of Stockholm. The mutual companies closed insurances amounting in all to \$19,-451,888 gross, and \$8,583,259 net, indicating a decrease of \$2,638,403, as compared with the business in 1902.

The reinsurance companies handling marine insurances were: Holmia, of Stockholm, and Union and Triton, of Gothenburg. The aggregate amount of their insurances closed during the year was 77,-651,008 kronor (\$20,810,470), also showing considerable increase.

FOREIGN COMPANIES.

The foreign fire insurance companies represented in Sweden numbered 24, embracing Norwegian, Danish, Finnish, Swiss, German, English, French, and Dutch companies.

These companies had together 668 subagents in Sweden. There are no returns for one of them; the gross amount of fire insurance in Sweden of the other 23 companies was \$139,781,903 at the close of the year. No American fire insurance company was represented.

The foreign marine companies represented in Sweden were 13—1 Danish and 12 German. The total amount of marine insurances closed by them during the year was \$18,330.671, showing a decrease of \$728,678 as compared with the business during 1902.

SWITZERLAND.

LOSS OF TIME BY FIRES.

The following information relative to insurance against loss of time and interruption of business on account of fire in Switzerland was prepared by Vice-Consul Munier, of Geneva:

Insurance companies are prohibited after the date of the publication of the present rules to insure against loss of time by fire on the basis of the conditions at present in use. No such insurance can be made unless approved by the Federal Council. It is forbidden to conclude such an insurance fixing in advance and at a fixed percentage of the fire insurance the loss of time which has been caused by the fire. Each indemnity for loss of time and interruption of business can only be fixed on the basis and after examination of the actual loss of time by fire. The risks which are the object of such insurance (*Chômage-incendie*) must be specified in the general printed conditions. It is forbidden for such companies to grant any other indemnity for loss bearing on other risks. If an insurance company proposes to conclude an insurance for loss of time and interruption of

business it must give notice of its intention to the fire insurance company, informing it of the conditions governing such insurance. The fire insurance company must give its written consent thereto. If there are several fire insurance companies interested, each must give its consent. Any breach of these rules will be punished by fine provided for in article 10 of the Federal law dated June 25, 1885. The present rules will be communicated to all fire insurance companies established in Switzerland and to all cantonal fire insurance offices.

In the general rules of the Federal Council it is provided that any home regulations of a foreign insurance company will not be applicable upon Swiss territory. Any transfer of the rights of one company to another must be approved by the Federal Council. The procurator of any company must be inscribed in the commercial register of Switzerland. The amount of the insurance must be stated in francs.

INSURANCE IN BERNE, FRIBOURG, AND NEUCHATEL.

The following fire statistics were compiled by Consul Edward Higgins, of Berne:

The Cantons Berne, Fribourg, and Neuchatel, comprising the consular district of Berne, do not keep statistics covering all the questions asked in the Department's circular. Some of them are answered by the following statements covering the year 1903:

Fire statistics of Berne, Fribourg, and Neuchatel.

Description.	Berne.	Fribourg.	Neuchatel.
Area.....square miles.....	2,680	644	312
Population.....number.....	589,433	127,951	126,279
Buildings.....do.....	156,316	33,417	18,256
Fires.....do.....	297	102	70
Buildings damaged.....do.....	377		
Total loss.....	\$169,300		\$23,200

COMPULSORY INSURANCE IN ZURICH.

Covering fire insurance statistics for Zurich, Consul A. Lieberknecht writes:

Zurich has a population of 163,500, and in 1904 contained 14,476 buildings constructed almost entirely of brick and stone, covered with slate, tin, or tile. There are no wooden buildings in the city proper. In 1904 there were 72 fires, none extending to adjoining buildings; 13 fires destroyed the buildings in which the fire originated; 6 fires destroyed only part of buildings, and 53 fires were confined to place of origin, with small losses only, and were, in most cases, extinguished before the fire department arrived.

The city has a volunteer fire department. The firemen receive a small fee for every fire they attend. No fire alarm exists, and no false alarm can be given. The law in the Canton of Zurich makes it obligatory for every house owner to insure his house or houses, and the rate of insurance is uniform—60 centimes for every 100 francs (11.58 cents for every \$19.30). The loss by fire on buildings in 1904 was \$62,937. As it is not obligatory to insure the contents of build-

ings, and as they are insured in various companies, it is difficult to obtain the amount of losses of that kind of property. Most fires have their origin in defective flues, careless handling of kerosene lamps, defective gas fixtures, etc.

UNITED KINGDOM.

Of fire and marine insurance laws and regulations in the United Kingdom, Consul Rufus Fleming, of Edinburgh, writes:

Companies, domestic and foreign, in fire or marine insurance are wholly untrammelled by special laws or regulations. There is no system of governmental supervision. No deposit is required to be made by a company to qualify it to transact business, nor are any fees, taxes, or other payments required of a company at the time of its formation, unless it is a limited-liability company—i. e., registered under the joint-stock companies' acts, 1862–1900. A company so organized and registered must pay to the Government, previous to authorization, a tax (in the form of a stamp duty) of 1 per cent of the total share capital. Thereafter the taxes to be paid are the same as those which fall upon life companies and all profit-earning firms, companies, and societies. No part of the premium receipts of a foreign company are required to be invested and held in this country, nor is there any provision of law as to the unimpaired capital of a foreign company in business here.

In short, fire and marine and other branches of property insurance rest on the basis of the general laws and decisions relating to contracts. A company is not compelled to give publicity to its affairs unless registered under the joint-stock companies' acts; in that case it must send to the registrar of joint-stock companies every year, under penalty, a summary of its capital and a list of members. A court will only interfere in the affairs of a joint-stock company when the directors do not keep within their powers.

ENGLAND.

CAUSES OF SMALL FIRE LOSSES IN ENGLAND.

Consul Marshal Halstead, of Birmingham, says:

It has been assumed, both in the United States and England, that the freedom from great fire losses in England is due to superior construction of buildings generally, but this, in my opinion is not the reason. There is much less fear of fire and much greater disregard of precautions which an American instinctively feels absolutely necessary at home; in fact, I often notice instances here of great carelessness. The difference seems to me to be largely climatic. The wood in houses here is not dried to tinder by hot summers, as with us, nor does the same process continue in winter, as few houses or factories are heated throughout, and the temperature in those heated is comparatively low. I know of only one office building in Birmingham which is steam heated and of very few buildings heated

by means other than fire in grates. The average residence has in winter a fire in the kitchen range, a fire in the dining room, occasionally in the drawing-room, and often this a gas fire, and fires are not often lighted in the bedrooms.

LOW FIRE LOSS IN BIRMINGHAM.

Within the boundaries of the city of Birmingham proper—and Birmingham has not taken in outlying districts as have so many other cities of the world—there are 550,000 people. In this most closely built area of about 20 square miles there have been for ten years past an average only of 503 fires yearly, a total of only 5,030, and of these 72 were outside the city limits. The estimated fire losses have averaged only \$220,404 yearly. In 1904 there were only 752 alarms, of which only 557 were for fires. Of the rest 103 were chimney burnings and 92 “nonmalicious” false alarms. Of the fires 542 were confined to the buildings or places of origin, and while 15 extended to adjoining buildings there were no fires extending beyond adjoining buildings. Five hundred and fifteen fires were confined to the floor on which they originated, and the total estimated loss was only \$226,506. The 752 alarms were an increase of 116 over the previous year.

In the annual report of the watch committee it is stated that:

Of the fires, 4 were beyond the city boundary. Of the actual fires attended, 523 were slight and 34 were of a serious nature, more than one-sixth of the property at risk being destroyed. The fires outside the city were, with one exception, of a slight character. The total loss from fire was estimated at £46,544 (\$226,500), and the value of the property at risk at £2,791,285 (\$13,583,787). As compared with 1903, there has been a decrease of £14,434 (\$70,243) in the estimated loss, and an increase of £438,438 (\$2,133,658.52) in the amount of property at risk; £3,983 (\$18,383.26) of the estimated loss and £87,080 (\$423,774) of property at risk relate to fires beyond the city boundary.

It is again gratifying to state that none of the 92 false alarms were given with malicious intent; in every case there was a cause reasonable for the alarm. The total time occupied in attending and extinguishing the fires was 411 hours 53 minutes, or an average of 32.8 minutes an alarm. One thousand eight hundred and twenty additional assistants were employed at a cost of £80 14s. (\$393). No payment is made in respect of chimney or false alarms, except under special circumstances. The quantity of hose in use at fires was 8 miles 732½ yards. With the exception of the loss of one life at the explosion of the Saltley Gas Works, no lives were lost at fires, but six persons died in the hospital from injuries. The number of fires in which life was endangered was 254. On 90 days during the year the brigade was turned out once to alarms, on 95 days twice, on 62 days three, on 37 days four times, on 20 days five times, and on 6 days six times. There have been 31 cases of ordinary illness in the brigade, 23 accidents, and 1 supposed accident, 13 of which occurred at fires, incapacitating the men from duty for 1,058 days, or 13.2 days per man, as compared with 9.8 per man last year. Two accidents and two cases of ordinary illness were of a prolonged character.

BIRMINGHAM FIRE BRIGADE.

All these figures indicate efficient fire protection, and I feel sure it will be a matter of surprise to our fire authorities to learn that for such protection there are needed only 6 steam and 2 chemical engines, 15 fire extinguishers of 4 gallons each, 3 fire escapes, 4 fire escapes and tenders, 4 horse hose carts, 84 hand pumps, 11,075 yards of canvas hose, 51 scaling ladders, 50 telescopic and emergency ladders, 350 canvas buckets, 34 jumping sheets or paulins, 5 hand ambulances,

and 5 bicycles. Including officers and "turncocks" there are only 89 firemen and 18 horses employed. There is 1 central station, 3 district engine stations, and 20 substations where hand-pushed fire escapes and other small appliances are kept in charge of firemen. These stations and all outlying stations are in direct communication by telephone with the chief fire station, and the principal engine station is also connected with the telephone exchange of the National Telephone Company. One of the chemical fire engines has combined with it a fire escape, and has a 60-gallon cylinder with two deliveries. Fire Engine No. 1 has a capacity of 750 gallons of water per minute, through a $1\frac{1}{4}$ -inch jet, throwing a stream a distance of 190 feet; No. 2 has a capacity of 450 gallons, through a $1\frac{1}{4}$ -inch jet, throwing the water 165 feet; Engines Nos. 3, 4, 5, and 6 have a capacity of 350 gallons each per minute, through a $1\frac{1}{8}$ -inch jet, throwing the water 160 feet. The chief officer of the brigade is paid £500 (\$2,433) per annum; the second officer, £207 (\$1,007) per annum. The first inspecting officer, the three engineers, and six assistant engineers are paid from £1 12s. to £2 6s. (\$7.77 to \$11.18) per week. The 71 firemen of the three classes and the 6 "turncocks" are paid from £1 3s. to £1 11s. (\$5.70 to \$7.53) per week. All have free quarters and light at the stations. There is a boot allowance for the officers of 10d. (20 cents) and for the firemen of 8d. (16 cents) per week.

FIREPROOF CONSTRUCTION IN LIVERPOOL.

Consul James Boyle transmits the following for the city of Liverpool:

The population of the city of Liverpool April 1, 1901, was 702,247, and the present officially estimated population is 730,143. The area is a little more than 23 square miles. No statistics are available showing the number of brick and stone buildings nor the number of wooden buildings. I am officially informed, however, that the number of wooden buildings is exceedingly small, and that the few which exist are chiefly one-story affairs not exceeding 10 feet in height, and used chiefly as workshops or for similar purposes. In comparison with brick and stone buildings, a general statement could reasonably be made that there are no wooden buildings in Liverpool. The building regulations of the city require, generally, that all buildings shall be constructed of brick or stone or other incombustible material; but there are certain relaxations, which are sometimes availed of, with regard to temporary buildings, for which special application must be made to the corporation if they exceed 10 feet in height. During the last fifteen years the number of such wooden buildings for which special approval has been granted by the corporation did not exceed 220.

The total number of fire alarms in Liverpool during the year 1904, as furnished to me by one of the leading fire insurance companies, was 761, of which 24 were false alarms. The figures do not correspond with those furnished to me by the head constable, who has charge of the fire department, but they are here stated for the reason that additional particulars called for as to fires in brick and stone buildings are not given in the official figures. Of the 737 actual fires 670 occurred in brick and stone buildings, 18 in wooden buildings, and

49 were other than building fires; 724 were confined to the building or place of origin; 13 extended to adjoining properties, and 654 were confined to the floor of origin.

LONDON'S FIRE BRIGADE.

Consul-General Robert J. Wynne, of London, transmits with his report the following article from the London Daily Telegraph of April 5, 1904:

Many points of interest are contained in the record of the year's work in subduing fires in the metropolis issued by the fire-brigade committee of the London county council. The busy life of the fireman may be gauged from the fact that calls to no fewer than 3,616 fires were received, an average of close upon 10 a day, and to the majority of these outbreaks a number of engines from different stations were dispatched. Fires classed as "serious" numbered 67, half a dozen more than last year, but the proportion has steadily declined during the last ten years, as appliances have been improved and the staff largely augmented.

The year's death roll from fires, including deaths from burns, suffocation, shock, and explosions, was 92. As many as 318 persons were brought out of buildings on fire by escapes and ladders. Of these, 62 afterwards succumbed to their injuries. In twenty-two instances bodies were removed before the brigade arrived, and 8 persons were brought out dead by the firemen. The horsed escapes saved many lives where fatalities must otherwise have occurred. The great usefulness of these appliances has again been amply demonstrated. Many of the old manual escapes stationed in public thoroughfares have been withdrawn.

Fatal fires have been attributed to a number of causes, but the dangerous practice of children playing with matches continues to be responsible for the greatest number. There are others which it should not be difficult to guard against: Accidents with candles, 5; children playing with matches, 16; clothing catching fire, 14; escapes of gas, 2; ignition of methylated spirit, 2; lights thrown down, 2; oil lamps or stoves being upset, 10; sparks from fire, 11. In 15 cases the cause of the outbreak remains unknown.

During ten years the numbers of fatal fires were as follows: In 1895, 91; 1896, 106; 1897, 87; 1898, 98; 1899, 119; 1900, 74; 1901, 97; 1902, 116; 1903, 86; 1904, 93. A total of 967, and a yearly average of 96.

An enormous mass of water is used for suppressing fires in London. Last year it amounted to 29,000,000 gallons, or, expressed in weight, 129,465 tons. Of this huge quantity about one-sixth was taken from rivers and canals and the rest from the street mains.

The personnel of the brigade comprises the chief officer, 3 divisional officers, 8 superintendents, 7 district officers, 87 station officers, 171 first-class firemen, 154 second-class firemen, 627 third and fourth class firemen, 36 men in the drill class under instruction, 17 pilots, and 184 coachmen—a total strength of 1,295.

Stations and appliances include 74 land and 5 floating fire stations, 20 street stations, 1 fire float, 5 steam fire engines on barges, 77 land steam fire engines, 1 motor steam fire engine, 15 manuals, 7 hose tenders, 5 hose and ladder trucks, 94 hose carts, 45 miles of hose, 4 steam tugs, 9 barges, 72 horsed escapes, 112 manual escapes, 29 long ladders, 84 ladder vans, 308 horses, 1,078 fire alarms, and 33 watch boxes.

The following particulars have been forwarded by the clerk of the London county council:

I regret that there are no figures showing the number of brick and stone buildings and wooden buildings, respectively, in the county, and that the council has no information as to the losses incurred by fire during 1904.

The population (1904) is 4,536,541; area, 121.1 square miles; number of buildings, 619,338; alarms, 4,778; false alarms, 874; fires in brick or stone buildings, 3,085; in wooden buildings, 113; in other than buildings, 418. Fires confined to building or place of origin numbered 3,550; extending to adjoining buildings, 49; extending beyond adjoining buildings, 17; confined to floor on which they originated, 2,814.

STRICT LAWS IN SOUTHAMPTON.

The following report for Southampton is from Consul Albert W. Swalm:

Southampton, the chief southern seaport of England, has a population of 115,000, and covers an area of 20 square miles. It is a well-built town generally. Its buildings are almost wholly of brick or stone, and wooden construction on residential lines is hardly known. It should be noted that the construction of the residences lends itself largely to safety from fires, there being only 65 alarms during the year ended March 31, 1905, the largest number by 10 for the past decade. The losses for the year do not exceed \$12,000. Losses were almost wholly confined to the building in which the fire originated. The insurance fully covered the loss generally.

Examination of the detailed report of the superintendent of the fire brigade herewith^a will give a flood of information to practical firemen, both on insurance and fighting lines. It may be noted that, because of a long-time enforced individual responsibility in the matter of conflagrations, the accident of fire has been brought down to the lowest limit of average. Thus, should a man permit the chimneys of his house to become foul with soot and "fired," he would be fined 5 shillings (\$1.20). The storing of any waste is regulated, and the by-laws are made to be enforced against all and without fear or favor. Carefulness has grown into a steady habit; hence the insurance rates are very low and yet very profitable. The fire brigade training is thoroughly good; it is different from American lines, but it is sensible in its application and successful in all emergencies possible to arise. Attention is directed to page 4 of the superintendent's report, showing the charges made for attendance at fires on the part of the brigade and outfit. These charges are paid by the persons whose property may be the cause of the call. This custom is common in the south of England.

The insurance interests are amply protected by law and custom, as are those of the insured. The prompt enforcement of law and the severe punishment inflicted for arson or fraud give the business a most desirable aspect for honest work.

CONDITIONS IN OTHER ENGLISH CITIES.

Bradford.—Consul Erastus S. Day submits the following statistics for the city of Bradford:

There were no serious conflagrations in this district owing, in a large degree, to the materials used in the construction of the buildings. With few exceptions they are composed of stone, lined with brick, and the more modern large structures are made fireproof.

The population of Bradford is 284,122; area, 36 square miles. Number of alarms in 1904: Fire alarms, 65; sprinkler systems, 12; private telephones, 3; National Telephone exchange, 2; total, 85.

The number of fires from various causes was—in stone and brick buildings, 85; brick buildings, 7; wooden buildings, 5; corrugated iron buildings, 1; other than building fires, 10; total, 108. The

^a Filed in the Bureau of Manufactures, Department of Commerce and Labor.

number of fires confined in building or place of origin was 107; extending to adjoining buildings, 1; confined to floor on which they originated, 99. The total loss (insured and uninsured) was \$84,395. Losses on buildings and contents in which the fires originated (direct losses), \$84,152; losses on buildings and contents in which the fires did not originate (exposure losses), \$243.

Bristol.—Consul Lorin H. Lathrop submits the following for the city of Bristol:

The population of Bristol is 358,000; area, 17,004 acres; number of brick and stone buildings, 60,000. There are no permanent wooden buildings, but there are 120 temporary wood and iron structures, the majority of which are to be pulled down, by agreement, three years hence.

The number of fire-alarm calls in the year 1904 was 488, an increase over the preceding year of 37. Of these 19 were false alarms. The number of fires in brick or stone buildings was 469. There were no fires in wooden buildings, nor were there other than building fires. The number of fires confined to building and place of origin was 469. None extended to or beyond adjoining buildings. 314 of the alarms were in fact for chimneys only, and these burned nothing but the accumulated soot. It may be said that the actual fires for 1904 in Bristol numbered only 155, and that none of these was of a serious nature. Official reports do not state what number of fires were confined to the floor on which they originated; but nearly all were, as a matter of fact.

Derby.—Consul F. W. Mahin, of Nottingham, writes of Derby:

The population is 114,848; area, 8½ square miles; number of brick and stone buildings, about 29,000; wooden buildings, very few—none used for dwellings or business. Number of fire alarms in 1904 was 90—one being false. All the fires were in brick or stone buildings; 50 were simply chimney blazes.

Leeds.—Consul L. H. Dexter says that the estimated population of Leeds is 450,000; area, 33 square miles; number of brick and stone buildings, 100,000; fire alarms in 1904, 302; false alarms, 7; fires in brick and stone buildings, 22; confined to place in which they originated, 71. The losses amounted to \$245,000. Of the 295 fires, 113 were in buildings that were insured. There are few wooden buildings in Leeds, and they are used as workshops or outhouses.

Leicester.—Consul F. W. Mahin, of Nottingham, writes of Leicester:

The population is 225,000; area, 13½ square miles; number of buildings unknown; all are brick or stone except a few wooden outbuildings. The number of fire alarms in 1904 was 167, of which 10 were false; 150 fires were in brick or stone buildings, and 7 other than building fires; all were confined to places of origin, and 6 to the floor where originating. The total loss to insurance companies was \$13,071, the lowest on record in the town. Uninsured loss unknown.

Newcastle-upon-Tyne.—Consul H. W. Metcalf writes:

The population of Newcastle-upon-Tyne is 246,995; area, 13½ square miles. The number of alarms during the year 1904 was 171, of which 25 were false.

The number of fires in brick and stone buildings, 136; wooden buildings, 2; other than building fires, 8; total, 146; fires confined

in building or place of origin, 144; extending to adjoining buildings only, 1; extending beyond adjoining buildings, 1. Fires confined to floors on which they originated, 144; losses on buildings and contents in which the fires originated (direct losses), \$50,466; losses on buildings and contents in which the fires did not originate (exposure losses), \$204.

Nottingham.—Concerning fire insurance in the Nottingham district Consul F. W. Mahin writes:

The city of Nottingham contained a population of 239,753 according to the census of 1901. Its present estimated population is 250,000. The area of the city is 17 square miles. The number of brick and stone buildings is not known, and there are practically no wooden buildings, except some small antiques. The number of fire alarms during the year 1904 was 181, of which 10 were false. The number of fires in brick or stone buildings was 148; in wooden buildings, 7, and other than building fires, 16. Only two of these fires extended to adjoining buildings and none to buildings beyond adjoining buildings. No record was made of fires confined to the floor on which they originated. The total loss, buildings and contents, was \$214,246. This includes exposure losses in buildings adjoining those where the fire originated, separate records thereof not being kept.

Sheffield.—Consul Charles N. Daniels writes: The population of Sheffield is 409,070, according to the census taken in 1901; estimated population at the end of 1903, 426,686; area, 37 square miles.

There are practically no wooden buildings in Sheffield. The number of alarms in 1904 was 275, of which 21 were false alarms. The number of fires in brick or stone buildings was 254. Of the total number only 12 occurred in other than stone or brick buildings. All fires were confined to the place of origin. The total loss (insured and uninsured) was \$75,989, viz, insured, \$70,145; uninsured, \$5,844. All losses were direct losses.

IRELAND.

CONDITIONS IN BELFAST.

Consul S. S. Knabenshue, of Belfast, says:

The latest available fire statistics are those embodied in the report of the city and county borough of Belfast fire brigade for the year ending June 30, 1904. The boundaries of the city and the county borough of Belfast are conterminous. The area is nearly 26 square miles, and the population, by the census of 1901, 348,965. It is estimated at the present time at 360,000.

There are practically no wooden buildings, and the roofs are chiefly of slate, corrugated iron or zinc being used on some large business blocks and manufacturing establishments. There is no official record of the number of separate structures, but the number of inhabited houses, by the census of 1901, was 66,968.

For the year ended June 30, 1904, there were 195 fire alarms; of these 9 were false, of which 4 were given from street boxes. There are no figures giving the number of fires which were confined to the

buildings in which they originated, nor of those extending to adjoining structures, or beyond. As a rule, from the mode of construction and the efficiency of the fire department, by far the greater number of fires were confined to the building in which they originated. There are no statistics to show the number of fires confined to the floors on which they began.

The total loss from fire within the city of Belfast for the year was \$177,661. Inquiry of the firms of assessors (insurance adjusters), shows that the total sum paid by insurance companies on this loss was \$75,209. There are no statistics kept which would enable a separation of the direct losses from exposure losses. The 186 fires occurred as follows: In dwelling houses, 84; stores with dwelling houses combined, 15; stores, 11; wholesale establishments, 9. Of the 84 alarms coming for dwelling houses, 26 were caused by clothing coming in contact with open fires, and 11 by kerosene lamps being thrown down or upset. The immunity from larger losses is due to the universal use of stone or brick as building material, of noninflammable roofing, and because of extreme care taken in electric installation, there being but one fire reported from defective wiring.

FIREPROOF BUILDINGS IN DUBLIN.

The following fire statistics for the city of Dublin were compiled by Consul Alfred K. Moe:

The population of the city of Dublin was estimated by the census of 1901 at 290,638, divided into 59,263 families. The area of the municipality is 7,911 acres, including the new urban districts of Clontarf, Drumcondra, Clonliffe, Glasnevin, and New Kilmainham. By the same census the number of inhabited houses was found to be 32,061; of unoccupied houses, 3,195; of houses under course of construction, 204, and of farm steadings, works, and out-offices, 11,384; making a total of 46,384. The city is intersected by the Liffey, which is crossed by ten bridges, six of stone and four of iron, and is embanked on each side along the whole range of the city—a length of 2½ miles—by quays faced with granite, affording an open and ready communication in all parts between the northern and southern sections. In Dublin, as in all Irish cities and towns, the buildings are constructed entirely of stone and iron. Timber structures are not permitted by law.

The alarms which called attention to fires during the year 1904 were 284; of these 7 only were false alarms. The number of fires in brick or stone buildings was 268, in other than such buildings—i. e., on wharves, etc.—9, making a total of 277. In every case the fire was confined in the building or place of origin. In other words, no fires extended to adjoining or beyond adjoining buildings. Two hundred and fifty-six fires were confined to the floor on which they originated. The total loss, insured and uninsured, amounted to \$71,700, all direct losses. Five fires resulted in serious loss of more than \$24,400 in each case; 33 in medium losses, varying from \$244 to \$24,400, and 116 where the loss was below \$244 and damage slight. The total value of property exposed to risk from fires in the city, and attended by the brigade, was estimated at \$2,591,236, and the total loss, ascertained from several sources, was but \$71,700, being considerably under the average for the past twenty years.

Of 37 fires in the city where the loss exceeded \$244 each 10 occurred in the daytime and 27 at night, between 7 p. m. and 7 a. m.; 16 of the latter were in buildings which were locked up with no one in charge of them. The brigade "turned out" to fires with horses and appliances on 155 occasions—78 in the day and 77 during the night. All other calls being attended to with hand pumps. On six occasions the brigade answered to calls from neighboring municipalities: Castleknock, 5 miles; worked hand pump; insurance, \$39,000; loss, \$220. Killiney, 8 miles; worked steamer; insurance, \$24,400; loss, \$6,685. Malahide, 9 miles; worked steamer; insurance, \$19,520; loss, \$8,784. Dartry, 3 miles; did not attend. Dundrum, 4 miles; attended with steamer; not required. Maynooth, 15 miles; attended with steamer on special train, but on arrival fire found to be extinguished. The staff of the brigade consists of a superintendent, an assistant, 3 station officers, an inspector, 2 foremen, and 40 firemen. Three firemen are employed nightly in charge of theaters and other buildings.

PLANT AND APPLIANCES.

The apparatus consists of 3 steam fire engines—capacity, 200, 300, and 800 gallons per minute, respectively; 2 aerial extension ladders, 66 feet elevation, with water-tower apparatus; 3 hose tenders, with accessories, including 2 folding Pompier ladders; 1 hose wagon, 2 ambulance wagons, 1 trap for chief officer, 12 horses, 2 hand hose carts, 6 telescopic fire escapes, 3 telescopic ladders, 12 jumping sheets and life lines, 14 hand pumps, 17 standpipes, 25 branch pipes, 12,800 feet of 2½-inch canvas hose, 125 feet 3¼-inch canvas hose, 1 smoke helmet, Bader patent. In reserve there is 1 aerial extension ladder, 66 feet elevation, and 1 Clayton fire escape, with fore carriage, 72 feet elevation; 1,000 feet of new hose, with instantaneous couplings; 2 new water-tower attachments for ladders. Two new aerial turntable escapes, to extend to a height of 66 feet, have been added during the year.

SCOTLAND.

FIRES IN EDINBURGH.

Consul Rufus Fleming says:

For the following statistics of fires and fire losses in the calendar year 1904 I am indebted to Mr. Arthur Bordage, fire master:

The number of buildings in this city under separate roofs has been roughly estimated at 26,000. Fully 98 per cent of the buildings are stone. The population of Edinburgh is 336,577; area, 11,416 acres; fire alarms during the year, 608 (113 burning chimneys, 82 false); fires in brick or stone buildings, 385; in wooden buildings, 13; in other than buildings, 15. Of these, 388 were confined to buildings of origin; fires extending to adjoining buildings only, 23; beyond adjoining buildings, 2. Of the total number of fires, 291 were confined to floor on which they originated. The total loss (insured and uninsured) was \$130,563, viz: Losses on buildings and contents in which fires originated (direct losses), \$113,905; losses on buildings and contents in which fires did not originate (exposure losses), \$16,658.

GLASGOW STATISTICS.

Consul Samuel M. Taylor submits the following:

The population of the city of Glasgow is 784,778, and its area 20 square miles. The city is almost entirely built of stone and brick, the number of wooden buildings being so few as not to be worth noting. There are no available statistics to show the number of buildings. During the year 1904 there were 1,333 alarms. Of this number, 178 were false alarms with good intent, 36 malicious false alarms, and 339 examinations of buildings for fires. The number of fires in all classes of buildings was 726, and the number other than building fires, 54. The latter consisted of burning rubbish, 42; railway cars, etc., 6; open yards, 3; vessels in harbor, 2; and crane staging, 1. All the fires which occurred during the year reported on were confined to the buildings or places of origin. No separate record is kept of fires confined to floors on which they originated, the building being regarded as a whole. The total estimated loss within the city was \$493,950. In estimating this total loss no distinction is made between direct losses and exposure losses, as there is no separate record kept of these for statistical purposes.

NORTH AMERICA.

DOMINION OF CANADA.

FIRE AND MARINE COMPANIES.

Consul-General John G. Foster reports as follows concerning fire and inland marine insurance in the Dominion of Canada:

There are 38 companies engaged in fire and inland marine insurance business in Canada, of which 9 are American, 19 British, and 10 Canadian. The British companies are: Alliance, Atlas, Caledonian, Commercial Union, Guardian, Law Union and Crown, Liverpool and London and Globe, London and Lancashire Fire, London Assurance, Manchester, National of Ireland, North British, Northern, Norwich Union Fire, Phoenix of London, Royal, Scottish Union and National, Sun Insurance Office, and Union Assurance Society. The Canadian companies are: Anglo-American, British America, Canadian Fire, Equity Fire, London Mutual, Mercantile Fire, Montreal-Canada, Ottawa Fire, Quebec Fire, and Western.

LEGAL REQUIREMENTS.

A company may carry on the four following branches of insurance, viz: Fire, cyclone, inland marine, and inland transportation, or any two of the following classes, viz: Guaranty, accident, plate glass, steam boiler, inland transportation, and sickness. Every company incorporated or legally formed out of Canada, carrying on the business of fire or of inland marine insurance, or of both combined, must deposit with the minister, in approved securities, the sum of \$100,000. All such deposits may be made by any company in securities of the Dominion of Canada or in securities issued by any of the Provinces of Canada, and by any company incorporated in the United Kingdom in securities of the United Kingdom, and by any company incorporated in the United States in securities of the United States, and the value of such securities shall be estimated at their market value, not exceeding par, at the time when they are so deposited. If any securities other than those above mentioned are offered as a deposit, they may be accepted, at such valuation and on such conditions as the treasury board direct. If it appears from the annual statements or from an examination of the affairs and condition of any company carrying on the business of fire or inland marine insurance that the reinsurance value of all its risks outstanding in Canada, together with other liabilities in Canada, exceeds its assets in Canada, including the deposit in the hands of the minister, the company shall be notified by the minister to make good the deficiency, and on its failure so to do, within sixty days after being so notified, he shall withdraw its license.

LEGAL CONDITIONS FOR FOREIGN COMPANIES.

The following additional information relative to fire insurance in Canada is taken for a report prepared by Consul E. A. Wakefield, of Orillia, Ontario:

All foreign companies engaged in fire and inland marine insurance in the Dominion of Canada must deposit \$100,000. A company incorporated elsewhere than in Canada, regardless of its charter powers, may be licensed to carry on insurance business under the following conditions:

(1) If including fire insurance a paid-up capital of at least \$300,000, wholly unimpaired, and other forms of insurance at least \$100,000 wholly unimpaired.

(2) A surplus equal to at least 20 per cent of paid-up capital.

(3) Market value of stock to be at a premium of at least 20 per cent.

(4) Successful operation for at least five years.

(5) Depositing, keeping, and maintaining certain assets in Canada over and above and in excess of the amount required if company's powers were limited to such an amount as the treasury board shall fix or determine, not being in any case more than \$200,000 and not less in fire insurance or life insurance than \$50,000, and other companies \$10,000. Provided further, that a license may, upon the terms and conditions and subject to the limitations with regard to the depositing and maintaining of excess assets in the preceding proviso contained, be granted to a company, which, while not in all respects complying with the requirements of the said proviso, does not materially fall short thereof in any essential particular.

Whenever any company fails to make deposits as required by this act, or the minister receives written notice of an undisputed claim remaining unpaid sixty days after it is due, or the amount of any disputed claim remaining unpaid after final judgment in a regular course of law, the license of such company may be withdrawn. Such license may be renewed if within sixty days after notice to the minister the undisputed or disputed claims mentioned in the next preceding section are paid and satisfied.

Before the securities of any company ceasing to do business in Canada shall be released, all outstanding risks must be reinsured in companies licensed in Canada or the surrender of the policies obtained. When making application for release of securities the company shall file with the minister a list of all Canadian policy holders who have not been reinsured or surrendered their policies, and the company shall publish in the Canada Gazette a notice that it has applied for the release of its securities on a certain day not less than three months after such notice, and calling upon Canadian policy holders opposing such release to file their opposition on or before the day named. After that day the minister may release all securities except such as may be necessary to cover the value of outstanding risks, and as these are settled from time to time further amounts may be released. When a company has ceased business in Canada after due notice, and its license has been withdrawn, it may pay losses arising upon policies not surrendered or reinsured.

No fire policy shall be issued for or extend over a longer time than three years.

AMOUNT OF BUSINESS DONE.

Consul-General Foster reports:

The transactions of companies doing fire or inland marine insurance during the fiscal year 1904 are shown in the following table:

Total amount of fire and marine insurance in 1904.

Companies.	Amount of risk taken during year.	Premiums charged.	Percentage of premium.
Canadian	\$1,096,174,824	\$11,725,988	49
British	609,942,163	9,675,287	40
American	157,982,519	2,600,986	11
Total	1,864,099,506	24,002,261

FIRE INSURANCE STATISTICS.

According to Commercial Agent E. Haldeman Dennison, of Rimouski, Quebec, the total net cash fire insurance premiums received during 1904 was \$13,174,819, of which \$8,341,175 went to the British companies, \$2,688,703 to the Canadian, and \$2,144,941 to the American. The gain in net cash received for premiums was: British companies, \$1,006,743; Canadian, \$406,205; American, \$377,109. The net amount of risk was \$1,218,853,251, a gain of \$78,399,538 on the year 1903. Canadian companies exhibit the largest gain in net amount at risk, the figures standing: Canadian, \$300,865,599, increase \$40,228,348; American, \$172,965,394, increase \$20,532,168; British, \$745,022,261, increase \$17,639,022. Losses paid in 1904: Canadian, \$2,581,205; British, \$9,164,855; American, \$2,365,140. In Canadian companies rate of losses paid per cent of premiums received was 96; British, 110.26 per cent; American, 110.27 per cent. In the case of some companies the losses paid were double the amount of the premiums. Taking all the companies, there was an excess of expenditure over income (marine insurance being included with that of fire) of \$1,115,065 in the case of Canadian companies; of \$2,401,524 in the case of the British companies, and \$722,743 in the case of American companies. This was not an exceptional year either, and is only the repetition of other years, resulting in forcing a number of underwriting ventures out of business and the raising of premium rates to a considerable extent.

CANADIAN FIRE INSURANCE REPORT.

Commercial Agent Gustave Beutelspacher, of Moncton, New Brunswick, transmits the following statistics covering the fire insurance business transacted in Canada in 1904, the same being a printed abstract of the report of the minister of finance laid before the Canadian Parliament on April 17, 1905:

The gross cash received for premiums by the 10 Canadian fire companies was \$3,932,246. The amount of policies at risk was \$300,865,599. The net amount paid for losses was \$62,581,205. The London Mutual Fire carries the largest amount of risks. The 19 British companies doing business in Canada received \$8,341,175, the net amount of insurance at risk being \$745,022,261. The amount paid out by them in the year was \$9,164,855. The total insurance of American

fire companies in Canada was \$172,965,394, amount received in premiums being \$2,144,941, and the losses paid out \$2,365,140.

The total fire insurance in all companies is \$1,218,853,253. The premiums received \$13,174,819, and the losses paid \$14,111,200, a showing anything but favorable to the companies. Since 1869 the Canadian people have paid in fire premiums \$201,580,555, while in return the companies have paid in losses \$140,321,502.

The companies doing inland marine insurance took in \$67,975 and paid out \$15,381. The Canadian life companies have \$364,640,166 of insurance in force; 9 British companies, \$42,601,715; American companies, \$180,631,886, or a total of \$587,873,767. The premium income was: Canadian, \$11,959,100; British, \$1,473,514; American, \$6,536,710; total, \$19,969,324. The Canadian companies received in premiums \$11,959,100 and paid out \$4,145,080. The British companies received \$1,473,514 and paid out \$1,141,044, while the American companies received \$6,536,710 and paid out \$3,232,715.

INSURANCE IN THE PROVINCES.

British Columbia.—The following report, covering the operations of a local fire insurance company, from Consul L. Edwin Dudley, of Vancouver, is the only information relative to fire insurance in the province of British Columbia which has been received:

The Mutual Farmers' Insurance Company, of Vancouver, has been in existence for three years and seems to be doing a profitable business. The company has insured farm buildings against fire to the amount of \$733,698. Five hundred and eighty-seven policies are now in force. Three per cent of the amount of the policy for three years is charged. Each man insured gives the company a premium note for \$30. These are kept as an asset, to be used only to guarantee that assessments made to meet losses will be paid. One dollar is paid upon delivery of the policy. The company seems to be in sound condition. The premium notes, amounting to \$18,354, have not yet been touched. No salaries are paid, and the farmers seem to secure their insurance at the lowest possible rates.

Manitoba.—According to Consul Samuel J. Shank, of Winnipeg, the following fire insurance companies are doing business in Manitoba. No further particulars than the names of the companies were obtainable by the consul, all statistics being forwarded to Ottawa, Ontario.

American—Ætna Insurance Company, Connecticut Fire Insurance Company, and Hartford Fire Insurance Company, of Hartford; Home Insurance Company, of New York; Phenix Insurance Company, of Brooklyn; Phenix Insurance Company, of Hartford, and Queen Insurance Company of America, New York. British—Alliance Assurance Company; Atlas Assurance Company; Commercial Union Assurance Company; Caledonian Insurance Company; Guardian Assurance Company; Law, Union and Crown Insurance Company; Liverpool, London and Globe Insurance Company; London Assurance Corporation; London Mutual Fire Insurance Company; London and Lancashire Fire Assurance Company; Northern Assurance Company; Norwich Union Fire Insurance Company; Phoenix Assurance Company, of London; Royal Insurance Company; Sun Insurance Office, and Union Assurance Society. Domestic companies—Anglo-American Fire Insurance Company, British America Assurance Company, Colonial Assurance Company, Canadian Fire Insurance Company, Central Canada Insurance Company, Equity Fire Insurance Company, Insurance Company of North America, Manitoba Assurance Company, Mercantile Fire Insurance Company,

Miniota Farmers' Mutual Fire Insurance Company, Montreal-Canada Fire Insurance Company, North British and Mercantile Insurance Company, North West Fire Insurance Company, Occidental Fire Insurance Company, Ottawa Fire Insurance Company, Quebec Fire Assurance Company, Royal Victoria Mutual Fire Insurance Company, Scottish Union and National Insurance Company, and Western Assurance Company.

Of the foregoing, the Colonial, Canadian Fire Insurance, Central Canada Insurance, Miniota Farmers' Mutual, and North West Fire Insurance are Manitoba companies.

New Brunswick.—Commercial Agent Beutelspacher, of Moncton, writes:

Fire insurance companies whose principal office is not in this Province must pay 1 per cent of the net premiums received and an additional sum of \$100 annually, besides \$2 per year for each resident agent or subagent. Agents not residents of the Province for twelve months must pay \$100 each.

Ontario.—Consul-General John G. Foster, of Ottawa, writes that the fire insurance companies operating exclusively in Ontario in the year ended December 31, 1903, and the amount of their business are as follows:

Companies.	Number of policies.	Amount of risk.
Joint stock	18,384	\$16,460,055
Cash mutual fire insurance	104,349	112,007,604
Purely mutual fire insurance	110,215	160,385,338

Insurance companies must be registered in Ontario in order to transact business in that Province, but no provincial deposit is required if the company is carrying on its business of insurance under license from the Dominion of Canada. Every licensed company is required to contribute annually a sum in proportion to the gross premiums received by it in Canada during the previous year toward defraying the expense of the Dominion office of the superintendent of insurance. This contribution amounts to about 49 cents for every \$1,000 of premium. There are no other fees, taxes, or payments required from insurance companies by the Dominion government.

Quebec.—Commercial Agent E. Haldeman Dennison, of Rimouski, writes:

Of the fire insurance companies the British have captured the field, having almost twice as much insurance at risk as the American and Canadian combined. A local fire insurance company, the Rimouski Témiscouata and Kamouraska, a mutualized institution, confining its business to the three counties comprising this district, does a large business in small risks, the premium rates being extremely low. There is no discrimination in the local laws or on the part of the natives against American companies, five of which are doing business here. The British fire insurance companies represented here are the Alliance, Atlas, Caledonian, Commercial Union, Guardian, Law, Union and Crown, Liverpool and London and Globe, London and Lancashire, London Assurance, Manchester, National of Ireland, North British, Northern, Norwich Union, Phoenix of London, Royal,

Scottish Union and National, Sun Assurance Office, and Union Assurance. The following Canadian companies are operating here: Anglo-American, British America, Canadian Fire, Equity Fire, London Mutual Fire, Mercantile Fire, Ottawa Fire, Quebec Fire, and Western. In addition to the above the following mutual fire insurance companies are doing business here: Canada, La Foncière, Missisquoi and Rouville, Montmagny, La Provinciale, Richmond, Drummond and Yamaska, Rimouski Témiscouata and Kamouraska, and Stanstead and Sherbrooke. These last-named companies make their returns to the inspector of insurance companies for the Province of Quebec, and are governed entirely by the laws of that Province.

For provincial taxation of fire insurance companies see "Provincial requirements," introductory to Quebec life insurance reports.

MEXICO.

Of fire insurance companies in Mexico Consul-General Philip C. Hanna, of Monterey, writes:

Fire insurance companies wishing to do business in Mexico are expected to file copies of their charter, list of their officers, appoint agents to represent them, and substantially conform to the same law as applies to life insurance. It is understood, however, that the expense is not so great. Fire insurance companies in Mexico do not transact a very extensive business, as the buildings are nearly all of stone, the partition walls and the floors and roofs are of stone, making it very difficult for buildings to burn. The principal fire insurance is placed upon stock of goods and household furniture.

PROTEST AGAINST HIGH RATES.

Consul-General J. R. Parsons, of Mexico City, says:

The interest being taken in the subject of insurance here is evidenced from the following, which is quoted from the Mexican Herald, of this city:

The action of a number of merchants and property owners of the city of Veracruz in founding a mutual association for fire insurance has attracted wide attention throughout the country, and there is said to be much eagerness in many other centers of population to see the plan in operation, with the prospect of other societies of the kind being established. One of the well-known fire insurance agents of the capital stated yesterday that the various companies look on the experiment with much composure, with the conviction that it can not do any serious injury to what might be called the professional fire insurance business in the Republic. A few months ago the twenty-six companies which handle fire insurance in this country drew up a new schedule of rates, classifying the cities and regions of the Republic according to their greater or less risk on account of exposure to fire and lack of fire-fighting apparatus. An increase of rates over those already in existence was decided for all points in the Republic, with the exception of Mexico City, and the increase was on a graduated scale, one State being entirely barred from insurance.

This action, the agent affirms, was compulsory for the various companies in view of the large losses which they had sustained by fire within the past eighteen months and in view of the fact that insurance is lower in this country than in the United States and that danger of serious loss is greater. A profitable business can not be done, he declares, on a basis of lower tariff than now in use,

and a drawback to the plans of the mutual association in Veracruz must lie in the fact that a merchant or property owner can not hope to recover the entire value of the property or merchandise he may lose by fire, as, in adjustment, he is supposed to be responsible for a proportion of the indemnity corresponding to the value of his belongings compared to the total risks of the association.

In other quarters, however, this local scheme of insurance is regarded as a solution of the problem of high premiums on risks, and there is even a proposal for the extension of the plan to cover accidents and disasters of various descriptions. In Mexico practically the only classes of insurance known are those of life and fire, and the need of other forms has been brought effectively to the fore by the disaster at Guanajuato. The idea which is being suggested for consideration in certain quarters is that a form of mutual insurance should be studied out for the various sections of the country, so that in case of unforeseen and unpremeditated accidents of any kind, explosions, fires, inundations, and catastrophes in general, a scheme of local indemnity may be ready as compensation in a greater or less measure for the injury suffered.

HEAVY LOSSES IN CIUDAD JUAREZ.

Covering fire insurance in the Ciudad Juarez district, Consul Charles W. Kendrick writes:

Fire insurance is at present obtained by the people of Ciudad Juarez from different American fire insurance companies in El Paso, Tex. Their agents do not solicit here, but the merchants, miners, and real estate owners take out their insurance across the boundary line. The premiums are high, because Ciudad Juarez has no fire company, not even an organized bucket brigade. In former years some European fire companies, English and German, had agencies here, but as they met with severe losses by recent conflagrations, the agencies have been discontinued. The State and municipality occupation tax is determined by the "Junta Calificadora," a committee of three, appointed by the governor and the mayor, respectively; they have imposed so far only an insignificant assessment of \$1 and \$2 per month on the insurance agents.

CONDITIONS IN DURANGO.

The following information covering fire insurance in the Durango district was supplied by Consul James A. Le Roy:

Fire insurance companies doing business in the State of Durango are subject to a license tax of \$10 Mexican (\$4.98 United States). Besides this the employees are subject to the ordinary income tax of 2 per cent per annum on their salaries. There is no other local law or regulation, so far as I can learn, affecting fire insurance companies.

I am unable to learn of any American fire insurance company doing business in this district. Various European companies are represented here, in houses conducted by their respective countrymen, as French, German, and Belgian. Three companies write accident insurance in this region, two of them American companies and the other the Mexican company mentioned above as operating in this line. The chief risks are, of course, mining managers and others in this calling, also quite a number of the railroad employees of Mexico, among whom conductors and engineers are almost invariably American citizens.

CENTRAL AMERICA.

GUATEMALA.

In regard to fire insurance in Guatemala, Consul-General Alfred A. Winslow, of Guatemala City, writes:

Fire insurance is a comparatively new thing in Guatemala and is confined mostly to Guatemala City, the first insurance having been written here only about fifteen years ago. The structures of any importance here are made of adobe or brick, and but very little fire is needed, and this only for cooking; therefore very few buildings are burned. So far as I know, but two fires have broken out in this city of 70,000 inhabitants in two years and these were in business places. There are no American fire insurance companies doing business in this Republic, but several European companies are represented here, and they seem to be doing a fair business. They are the Commercial Union, the Northern, the Transatlantic, and La Baloise.

A decree was issued in 1903 providing that five years after its publication one-half of all premiums collected by either life or fire insurance companies must be invested in the Republic of Guatemala. The law provides that foreign corporations shall publish a yearly statement of their standing, but I am informed that this is uniformly ignored. All foreign corporations are required to pay 1,000 pesos, which at present equals about \$77 United States currency, into the treasury of this Republic before permission can be given to do business here, and for each succeeding year while doing business.

HONDURAS.

Consul Dean B. Wood, of Ceiba, writes that only a few fire insurance companies operate in his district. Rates are high and very few merchants insure. There are no special laws governing fire insurance, and neither taxes nor fees are imposed thereon.

Consul William E. Alger, reporting for the district of Tegucigalpa, says that all the fire insurance in force amounts to about \$200,000, on which the premium is one-half of 1 per cent. What is said in relation to Ceiba of taxes and fees applies also to Tegucigalpa. There is no American fire insurance company in Tegucigalpa, the Commercial Union Company, of London, transacting the whole business of the district.

PANAMA.

As to fire and marine insurance in Panama City, Consul-General Joseph W. J. Lee gives the following list of companies doing business in his district, but gives no further information concerning the subject:

British companies.—British Lloyds Insurance Company, Commercial Union Company, Marine Insurance Company, Northern Insurance Company, Palatine Insurance Company, Phoenix Insurance Company, Sun Insurance Company, and Union Assurance Company.

German companies.—Mannheimer Insurance Company, Nord Deutsch Versicherungs-Gesellschaft, Nord Deutsch Insurance Company, and Transatlantic Insurance Company (all marine insurance companies). It is assumed that the Government requirements—taxes, etc.—as given in Consul-General Lee's report on life insurance are equally applicable to fire and marine insurance.

SALVADOR.

Consul-General John Jenkins, of San Salvador, transmits the following information concerning fire and marine insurance in Salvador:

COMPANIES IN SALVADOR.

The British and Foreign Marine Insurance Company (Limited) is the only company doing a marine insurance business in Salvador, and it operates under the same rules and regulations as life insurance companies. The following fire insurance companies are in business here: Royal Exchange Assurance, Guardian Assurance Company (Limited), Commercial Union Assurance Company, Northern Assurance Company, Sun Fire Office, Royal Assurance Company, and the Hanseatic Fire Insurance Company. The first six are British and the last German.

No American fire insurance companies are represented, they having voluntarily retired some eight years ago. The Government transacts no insurance business, nor do any domestic societies exist, so that the business is entirely in the hands of British and German companies. The taxes are those imposed upon life insurance companies, but a general government supervision has been exercised since May 2, 1904. Copies and translations of the law are herewith submitted.

FIRE INSURANCE LAWS OF SALVADOR.

ARTICLE 1. Fire insurance companies or their agencies established or to be established in the Republic must be inscribed in the record which the courts of commerce of their domicile will keep.

ART. 2. In said records will be noted the name of the company, its nationality, and business standing; the capital of the company, and the names, surnames, and domiciles of the agents or subagents that are to represent them in the Republic, taking note of their powers of attorney, accrediting them as such.

ART. 3. No agent or subagent of a fire insurance company shall begin business without having first fulfilled the above requisites under penalty of a fine of \$100, which the respective judge of commerce shall exact.

ART. 4. Upon fulfilling the requisites established in the foregoing article, the judges of commerce will extend to the agents and subagents a certificate that they have complied with the prescriptions of the present law.

ART. 5. The agents and subagents incur the strict obligation to remit to the judge of commerce of their domicile a memorandum of each policy extended, or of its renewal, specifying therein the number of the policy and the nature of the property insured; if fixed property, it shall be expressed whether city or country, describing the boundaries and street on which it is situated; the amount of the insurance; the premium paid; the name, surname, nationality, domicile, and profession or trade of the person insured.

ART. 6. As soon as a fire occurs, the judge of commerce will begin without loss of time an investigation as to origin of the fire, and shall not omit the testimony of the chief of police, the damaged party, the representative of the insurance company, and the mayor of the city.

ART. 7. If from the result of the investigation it appears that the fire was accidental, the judge of commerce will give immediate advice to the insurance agent to proceed with the liquidation of the policy. Should it result from the investigation that there was a criminal action on the part of the insured party, the judge of commerce will warn the agent or agents of the insurance company against paying the policy and will send the suspected party or parties to the common tribunals.

ART. 8. No representative of a fire insurance company shall pay any policy without previous authorization from the judge of commerce, under penalty of a fine of 5 per cent of the value of the policy.

ART. 9. The judge of commerce must conclude the investigation referred to in the foregoing articles within fifteen days after the fire has occurred.

ART. 10. Persons insuring their properties outside of the Republic must present the policy to the judge of commerce for his inscription. Should they not do this, they become liable to a fine of 20 per cent of the value of the insurance.

ART. 11. This fine shall be collected by the judge of commerce as soon as he has knowledge of the act, and he shall proceed verbally at the request of any person. These fines shall be equally divided between the city and the hospital of the place where the insured property is situated.

ART. 11. The public authority may question the amount of insurance carried when an exaggeration of value is evident. In such a case the judge of commerce will appoint experts who will value the property insured. Not only the insurance company, but also the interested parties, must accept this expert valuation if it does not exceed the amount of the original insurance.

ART. 12. The records referred to in this law shall be at the disposition of the public for its knowledge and information at all times.

ART. 13. All court proceedings occasioned by this law shall be on unstamped paper.

WEST INDIES.

BRITISH WEST INDIES.

Commercial Agent J. E. Haven, of St. Christopher, says:

There is a considerable amount of fire insurance written here—that is, insurance covering sugar-cane-field fires. Nearly every estate is insured, and, to express the opinion of one of the leading business men whom I interviewed on the subject, “There is quite a number of companies in the field—many more than the business warrants.”

Concerning fire and marine insurance in Jamaica, Consul G. H. Bridgman, of Kingston, writes:

No American fire insurance companies operate here. The foreign companies are: Jamaica Cooperative (Limited); Atlas; Commercial Union; Guardian; Imperial Alliance; London and Lancashire; Liverpool and London and Globe; Yorkshire Fire Insurance Company; Manchester; National Assurance Company of Ireland; North British and Mercantile; Northern; Norwich Union; Netherlands; Queen of America and Prussian National; Phoenix; Palatine; Queen; Royal; Royal Exchange; Sun; Scottish Union and National; Transatlantic; London Assurance Corporation of London; Union Assurance Society; Lancashire; State; Patriotic; Western; Aachen and Munich. There is one native company—the Jamaica Cooperative Fire Insurance Company. There are no British, American, or other foreign marine insurance companies here, but there is one native marine company, viz, the Home Marine Insurance Company.

As already stated, there are no statutory or other requirements regulating the business of life, fire, or marine insurance companies. No insurance companies are subject to taxation on their property beyond the annual license of £25 previously referred to and the usual householder city rates. There is no income tax in force in the island.

CUBA.

Consul-General F. Steinhart, of Habana, says the deposit for fire insurance companies is \$75,000, and the tax $2\frac{1}{2}$ per cent on gross premiums. The marine insurance deposit is \$25,000; tax of $2\frac{1}{2}$ per cent on net premiums.

The following are the fire and marine insurance companies transacting business here:

Fire.—Aachen and Munich, Atlas, Commercial Union, Guardian, Imperial (now Alliance), Law, Union and Crown, Liverpool and London and Globe, London Assurance, London and Lancashire, Hamburg and Bremer, North British and Mercantile, Northern, Norwich Union, Phoenix, Royal, Royal Exchange, Scottish Union and National, Sun, Union.

Marine.—Mannheim Insurance Company, Commercial Union (British), United States Lloyds, Nacional Prusiana.

DUTCH WEST INDIES.

Covering fire and marine insurance in the Dutch West Indies, Consul Elias H. Cheney, of Curaçao, writes:

In fire insurance the only company doing anything is the Palatine, of London. No other is trying. There is very little call for insurance. The buildings are all of stone and mortar, the roofs of tile, with very light wood support, since each room has its own roof resting on its own walls. There is little to burn. What wood there is, and the very air, are so saturated with salt that it is impossible to kindle a fire that a tin of water will not subdue, except in a very few stores having combustible goods. It takes a good deal of coaxing to induce Florida pine to burn, especially when covered with paint. The larger stores generally carry some insurance, but the rates have to be low. Detached houses are taken at one-tenth of 1 per cent. One company can pick up a little business. There is not room for two. There has been but one fire alarm in six years since I came here. There is no fire department. The soldiers handle fires. They have one little hand engine, without suction hose, fed by buckets. There are no reservoirs or hydrants for fire purposes. The Maricaibo Compañia de Seguros Maratimo occasionally insures a sloop or small schooner in the local trade. That is about all in that line. There is no fraternal or friendly insurance whatever.

FRENCH WEST INDIES.

Concerning fire and marine insurance in the island of St. Pierre, Consul Charles M. Freeman writes:

There are no American fire insurance companies doing business in this colony. The foreign companies are the Phoenix, the Queen, and the Commercial Union, all English. Until recently some Canadian companies had an agency here, but they have withdrawn their business. Their reason for withdrawal I am unable to learn, but understand that the business was not profitable. A German company, having an agency in France, and whose name I do not know, has issued some policies here, but it has no local agent.

No American or other foreign marine insurance companies do any business here, unless by issuing policies direct from the home countries. The domestic marine companies with headquarters in France are La Foncière and L'Armoique.

The information given regarding life insurance covers equally fire and marine insurance.

HAITI.

Consul John B. Terres, of Port au Prince, Haiti, writes:

There is very little done in the way of fire insurance on account, on the one hand, of the great risk incurred, and, on the other, of the excessively high rates of premiums asked. There are two German companies that have local agents in this city, but the amount of business done is very small. The laws governing life insurance also govern fire insurance. For these laws, see Consul Terres's report covering life insurance.

SOUTH AMERICA.

CHILE.

For rules and regulations governing fire insurance, see Consul Winan's report on life insurance, wherein are given the insurance laws of Chile.

The same laws govern fire insurance companies, with the exception that fire insurance companies pay a license of 3,000 pesos (\$1,095) for the first class and 2,000 pesos (\$730) for the second class. They also have to deposit 300,000 pesos (\$109,500) and 200,000 pesos (\$73,000), respectively, instead of 400,000 pesos (\$146,000) and 300,000 pesos, as in case of life insurance companies. Marine insurance companies pay a license of 500 pesos (\$182.50) only.

COLOMBIA.

Concerning fire and marine insurance in Colombia Consul-General Alban G. Snyder, of Bogota, writes:

The fire insurance companies doing business here are: The Commercial Union, Sun, and Northern Assurance Company, British; the Transatlantische Feuer Versicherungs Aktien Gesellschaft, and Magdeburger Versicherungs Gesellschaft, Magdeburg. The marine insurance company doing business here is Lloyds, London. A number of American, English, German, and French companies have agents in Colombia and insure goods sent by foreign houses to this country. Foreign companies that have agents in Colombia for insuring the inland traffic are the Norddeutsche Versicherungs Gesellschaft and Transatlantische Transport Versicherungs Gesellschaft, both German.

For rules and regulations governing fire and marine insurance companies in Colombia, see Consul-General Snyder's report on life insurance in Colombia.

PERU.

Consul Gottschalk, of Callao, reports that seven Peruvian insurance companies are engaged in fire and marine risks only, with headquarters in Lima. One of these companies (Compania Internacional de Seguros del Peru) does a very large business, and has a reserve fund of \$250,000. As the laws which govern life insurance companies in Peru apply equally to fire and marine insurance companies, see Consul Gottschalk's reports on the latter for further information relative to fire insurance.

OTHER COUNTRIES.

In Brazil, British Guiana, and Venezuela the laws for life and special forms of insurance apply equally to fire and marine risks. Beyond what will be found under the headings of life and special forms of insurance, nothing was submitted on fire and marine insurance by the consuls in these countries.

ASIA.

BRITISH INDIA.

COMPANIES IN BOMBAY.

Consul William Thomas Fee gives the following list of 43 fire and 53 marine insurance companies operating in Bombay :

Fire.—Aachen and Munich Fire Insurance Company, Atlas Insurance Company, Atlas Insurance Company (Limited), Baloise Fire Insurance Company, Bombay Fire and Marine Insurance Company, British America Assurance Company (London), Commercial Union Assurance Company, Equitable Fire and Accident Office, Fire Insurance Company of 1877, General Accident Assurance Corporation, Guardian Assurance Company, Hamburg-Bremen Insurance Company, Hongkong Fire Insurance Company, Lancashire Insurance Company, Lion Fire Insurance Company, Liverpool and London and Globe Insurance Company, London Assurance Corporation, London and Lancashire Fire Insurance Company, Madgeburg Fire Insurance Company, Netherlands Fire Insurance Company, New Zealand Insurance Company, North British and Mercantile Insurance Company, North German Fire Insurance Company, Northern Assurance Company, Norwich and London Accident Insurance Company, Phoenix Life Insurance Office of London, Prussian National Fire and Marine Insurance Company, Queen Insurance Company of America, Royal Insurance Company, Royal Exchange Assurance Corporation, Sea Insurance Company, Scottish Union and National Insurance Company, South British Fire and Marine Insurance Company of New Zealand, South British Fire and Marine Insurance Company, Sun Insurance Office, The Imperial Insurance Company, The National Assurance Company of Ireland, Transatlantic Fire Insurance Company, Union Assurance Society, Western Assurance Company, Yorkshire Insurance Company.

Marine.—Australian Alliance Assurance Company, Batavia Sea and Fire Insurance Company, Binning and Company, British America Assurance Company (London), British and Foreign Marine Insurance Company, China Traders Insurance Company, Canton Insurance Office (Limited), Colonial Mutual Life Insurance Company of Melbourne, Commercial Union Assurance Company, Continental Insurance Company, General Insurance Company (Limited), General Marine Insurance Company of Berlin, German Marine Insurance Company of Berlin, German Re & Company Insurance Company, Hamburg Underwriters' Association, Indemnity Mutual Marine Assurance Company, Imperial Marine and Transport Fire Insurance Company, La Fonciere Reunie de Paris, Lloyds' London, London Assurance Corporation, London and Provincial Marine and General Insurance Company, Mannheim Insurance Company, Marine Insur-

ance Company, Maritime Insurance Company, Merchants' Marine Insurance Company, New Zealand Insurance Company, North China Insurance Company, North German Marine Insurance Company, North Queensland Insurance Company, Ocean Marine Insurance Company, Reliance Marine Insurance Company, Royal Exchange Assurance Company, Royal Insurance Company, Sea Insurance Company, South British Fire and Marine Insurance Company of New Zealand, Standard Marine Insurance Company, Swiss National Insurance Company of Basle, Thames and Mersey Marine Insurance Company, Tokio Marine Insurance Company, Transatlantic Marine Insurance Company of Berlin, Triton Insurance Company, Union Insurance Society of Canada, Union Marine Insurance Company, United Dutch Marine Insurance Companies (London), Universal Marine Insurance Company, Upper Rhine Insurance Company, Western Assurance Company of London (Toronto), World Marine Insurance Company (London), Yang-Tsze Insurance Association, Yorkshire Assurance Company.

INSURANCE IN CEYLON.

Covering fire and marine insurance in Ceylon, Consul W. Morey, of Colombo, writes:

The principal marine and fire insurance companies are: Prussian National, Java Sea Fire, Atlas Assurance (Limited), North British Mercantile, Alliance Assurance, Aachen and Munich Fire, Maybery Fire, Hamburg-Bremen Fire, Baloise Fire, Batavia Fire, China Traders, Commercial Union, Liverpool, London and Globe, Imperial Fire, London and Lancashire, Manchester Fire, New Zealand, Northern, Norwich Union, Royal, Scottish Union and National, South British, Transatlantic, Batavia British and Foreign Marine, Canton, Eastern, Federal Marine, North China, Reliance Marine, Royal Exchange, South British Fire and Marine, Triton, World Marine, Yangtze, Rhenish Westphalian Lloyd, Underwriting Agency, Marine Insurance, Guardian, and Western.

Marine rates of insurance.

From Ceylon, by direct steamers, to—	W. P. A.	F. O. P. A.
	<i>Per cent.</i>	<i>Per cent.</i>
London, Liverpool, Marseille, Java, Antwerp, Hamburg	1	1
Odessa	1	1
St. Petersburg	1	1
Yokohama, Kobe, Shanghai, Rangoon, Manila	1	1
Cape Town, Alexandria, Suez, Port Said, Singapore, Penang, Batavia	1	1
Copenhagen	1	1
San Francisco	1	1
New York	1	1

There are no domestic insurance companies, but the representatives of about all of the fire companies have an association called the Ceylon Fire Insurance Association, which regulates and controls the operations of its members. It was established December 18, 1897, and comprises 40 companies. The report for 1904 is annexed as an appendix to this report and sent under separate cover.^a

^a Pamphlet of 56 pages filed in the Bureau of Manufactures.

DUTCH INDIA.

Consul B. S. Rairden, Batavia, Java, writes:

There are no American fire insurance companies operating in Dutch India, but there are 15 British companies, viz: Commercial Union (Limited), Imperial, London Assurance, London and Lancashire, North British and Mercantile, North China, Palatine, Phoenix, of London, Reliance, State, London and Provincial, Union, Sun, Western Assurance, and Northern Assurance.

There is one French fire insurance company, viz, L'Union Incendie, Paris. The 5 German fire companies here are: Norddeutsche Feuer Versicherungs Gesellschaft, Oberrheinische Versicherungs Gesellschaft, Hamburg-Bremen Feuer Versicherungs Gesellschaft, Transatlantische Feuer Versicherungs Gesellschaft, and Prussische National Feuer Versicherungs Gesellschaft.

There are 27 domestic fire insurance companies in this district, as follows: Algemeene Brandwaarberg Maatschappij, Amsterdamsche Brand Assurantie Maatschappij, Ardjeene Brand Assurantie Compagnie, Batavia Zee and Brand Assurantie Maatschappij, Fleve Brandverzekering Maatschappij, Haagsche Assurantie Compagnie voor Brand-Hollandsch Brandverzekering Maatschappij, Insulande Brand Assurantie Maatschappij, Java Zee and Brand Assurantie Maatschappij, Kalimas Brandverzekering Maatschappij, Koloniale Zee and Brand Assurantie Maatschappij, Merapi Brand Assurantie Maatschappij, Mercurius Brandverzekering Maatschappij, Nederlanden Assurantie Maatschappij tegen Brand, Nederlandsch-Indische Brandwaarborg Maatschappij, Nederlandsche Lloyds, Noordhoek Brand Assurantie Maatschappij, Oesterling Brand Assurantie Maatschappij, Oosthoek Brand Assurantie Maatschappij, Oost-Indische Zee and Brand Assurantie Maatschappij, Samarangsche Zee and Brand Assurantie Maatschappij, Salamander Nederlandsche Brand Assurantie Maatschappij, Securitas Brandwarrborg Societeit, Tweede Koloniale Zee and Brand Assurantie Maatschappij, Tweede Nederlandsch-Indische Zee and Brand Assurantie Maatschappij, Unitas Brand Assurantie Maatschappij, and Veritas Brand Assurantie Maatschappij.

For rules and regulations governing insurance in Dutch India, see Consul Rairden's report on life insurance therein.

SIAM.

Consul-General Montgomery Schuyler, jr., of Bangkok, reports as follows relative to fire and marine insurance in Siam:

There is very little fire insurance done here, except on rice mills and the offices and residences of foreigners or Chinese. Among the Chinese there is a certain amount of "mutual benefit" funds in their secret societies, but absolutely no information upon the subject can be obtained.

I should say that the field for American fire insurance companies in Siam was worth cultivating, but the companies should send out men used to oriental methods and familiar with local conditions.

The following companies are represented in Bangkok:

Fire.—British: Eastern, Norwich, Guardian, Sun, Palatine, Hongkong, New Zealand, Phoenix, China, London and State, Lancashire, North British, South British, and Mercantile. Belgian: Union, Antwerp. German: Hamburg-Bremen, Hanseatic, Hamburg Fire, North German, and Magdeburger. Dutch: Java Sea and Fire, and Netherlands. Austrian: Assecurazione Generali, and Societie Anonyma d'Assurances.

Marine.—British: Canton, Union (Canton), China Traders, North China, British and Foreign, Union of London, London, Atlas, Northern, Triton, General, Ocean, Transatlantic, National (Ireland), and Commercial (fire, life, and marine), Tokyo. Austrian: Providentia (Vienna), Fonciere (Buda-Pest). Swiss: Basler, Eidgenossen, Nouveau Lloyd, and Winterthur. German: Germanic Lloyd, Bureau Veritas, Hamburg and Bremen, Hanseatic Lloyd, Deutsche Rueck, Transatlantische-Gueter-Gesellschaft, Münchener, Bayerischer Lloyd, Allgemeine, Dresdener, Agrippina, Rhenania, Dusseldorfer, Rheinisch-Westfälischer Lloyd, Oberheinisch, Mannheim, and Aachen-Leipziger. Dutch: Java Sea and Life, Batavia Sea and Life, and Samarang Sea and Life.

OTHER COUNTRIES.

Fire risks are taken at low rates in China both by foreign and native companies. Little insurance is written in Persia because fires are very infrequent and never do much damage.

CHINA.

The laws of extraterritoriality apply to all foreign insurance companies operating in China. Of conditions in the Amoy district Consul G. E. Anderson says:

The foreign fire and marine insurance business of this consular district is almost altogether in English hands, chiefly because there are few American firms to represent American companies. There are about half a dozen foreign companies represented locally and about the same number of Chinese companies doing business upon a more or less extensive scale.

Marine insurance rates are controlled more or less by the rates of Europe and America. Fire insurance rates are much lower, as a rule, than they are in the United States, and it is a fact worthy of American investigation that rates for fire insurance are so low where risks are so much greater than they are in most localities in the United States. American fire insurance companies doing business here have to do it on the basis of rates fixed by companies from England, Holland, Denmark, and other European nations, where rates are lower than in the United States.

HONGKONG.

Concerning fire and marine insurance in Hongkong, Consul-General Edward S. Bragg reports that 11 American companies operate in that colony, and 108 other foreign companies, wherein life insurance companies are included. British law applies to all companies operating in this colony.

PERSIA.

Consul-General John Tyler, of Teheran, writes:

The necessity for insurance of property in Persia is not so great as in countries where methods of construction require large quantities of inflammable materials. Although mud roofs have many disadvantages and are only possible in comparatively dry countries, yet the thick layer that covers the roofs of houses here provides a safeguard against drafts which increase the force and volume of conflagrations.

During the whole of the time I have been in Persia I have known of only two fires in Teheran, one of which was in my own house and the other in a neighbor's. The roof of neither suffered, although patches of the ceiling fell.

AFRICA.

BRITISH SOUTH AFRICA.

The fire and marine insurance business in British South Africa is largely in the hands of English companies. All insurance companies are obliged to take out a license and to pay the usual taxes. Rates are graduated according to risks.

MOROCCO.

Covering fire insurance in Morocco, Consul-General S. R. Gummeré, of Tangiers, writes:

No American fire insurance company operates in Morocco. Foreign companies doing business here are, 5 British, 1 French, and 1 Spanish. As to the amount of business transacted by these companies no statistics can be given. There are no fire insurance laws or regulations in Morocco. No taxes on insurance companies of any kind are imposed.

SIERRA LEONE.

Regarding fire insurance in Sierra Leone, Consul John T. Williams writes:

There are several agencies here for fire insurance companies, but no American companies are represented among them.

These fire insurance companies are all English corporations: The Guardian Assurance, the London and Lancashire, the Atlas Assurance Company (Limited), with which is incorporated the Manchester Assurance Company, and the Commercial Union Assurance Company (Limited), of London. The methods and rates of these agencies do not greatly differ from those of other localities.

There are, however, no special features that require mention in this connection, there being no restrictions or other requirements by the Government.

ZANZIBAR.

All business concerns operating in Zanzibar that have their home offices in foreign countries are under extraterritorial laws and therefore are subject only to such restrictions as are imposed on their home offices. This is true of fire and marine as well as of life insurance.

OCEANIA.

AUSTRALASIA.

TAXES IN QUEENSLAND.

Covering fire and marine insurance in Queensland, Consular Agent Weatherill, of Brisbane, writes:

Fire and marine insurance companies operating in Queensland are not obliged to deposit money or otherwise pledge security to enable them to do business, and no proportion of their premium receipts or unimpaired capital is required to be deposited with the government. The income tax payable by fire and marine insurance companies is 5 per cent on 25 per cent of their premium receipts. Fire companies pay stamp duty to the extent of 24 cents on each \$500, and marine insurance companies 6 cents on each \$500. The stamp duty is calculated upon the face value of the insurance policy.

FIRES AND INSURANCE IN VICTORIA.

Covering fire and marine insurance in Victoria, Vice-Consul-General Merrill, of Melbourne, reports as follows:

FIRE INSURANCE COMPANIES.

There are no American fire and marine insurance companies operating in Victoria. The following fire insurance companies transact business here: Aachen and Munich Fire Insurance Company, Alliance Assurance Company, Atlas Assurance Company, Australian Alliance Assurance Company, Caledonian Insurance Company, City Mutual Fire Insurance Company, Colonial Mutual Insurance Company, Commercial Mutual Assurance Company, Commonwealth Insurance Company, Derwent and Tamar Fire and Marine Assurance Company, General Accident Assurance Corporation, Guardian Assurance Company, Imperial Fire Office, Law Union and Crown Insurance Company, Liverpool and London and Globe Insurance Company, London Assurance Corporation, London and Lancashire Fire Insurance Company, Manchester Assurance Company, Mercantile Mutual Insurance Company, National Fire and Marine Insurance Company, National Union Society, New Zealand Insurance Company, North British and Mercantile Insurance Company, Northern Assurance Company, North Queensland Insurance Company, Norwich Union Fire Insurance Society, Palatine Insurance Company, Patriotic Assurance Company, Phoenix Assurance Company, Royal Insurance Company, Royal

Exchange Assurance Corporation, Scottish Union and National Insurance Company, South British Fire and Marine Insurance Company, Standard Insurance Company of New Zealand, State Fire Insurance Company, Sun Insurance Office, Union Assurance Society, United Insurance Company, Victoria Insurance Company, Yorkshire Fire and Life Insurance Company.

It will be seen that the countries represented are Great Britain 26, Australia 9, New Zealand 4, and Germany 1; in all, 40. No statistics are available as to the number of policies and amount of insurance in existence, as no figures have been compiled by the government statistician, and the companies when approached individually refuse to state the extent of their transactions. It is authoritatively stated that the British companies do a very large business here, issuing fully three-fourths of the total policies.

MARINE INSURANCE.

The following is a list of marine insurance companies operating in Victoria:

Alliance Marine and General Assurance Company, Australian Alliance Assurance Company, Batavia Sea and Fire Insurance Company, British Dominion Insurance Company, British and Foreign Marine Insurance Company, Canton Insurance Office, China Traders' Insurance Company, Colonial Mutual Insurance Company, Commercial Union Assurance Company, Commonwealth Insurance Company, Derwent and Tamar Fire and Marine Assurance Company, Indemnity Mutual Marine Insurance Company, Mannheim Insurance Company, Marine Insurance Company, Maritime Insurance Company, Merchants' Marine Insurance Company, National Fire and Marine Insurance Company of New Zealand, New Zealand Insurance Company, North Queensland Insurance Company, Ocean Marine Insurance Company, Reliance Marine Insurance Company, South British Fire and Marine Insurance Company, Standard Insurance Company, Thames and Mersey Marine Insurance Company, Triton Insurance Company, Union Insurance Society of Canton, Union Marine Insurance Company, United Insurance Company, Victoria Insurance Company, World Marine Insurance Company, Royal Exchange Assurance Corporation, and Yangtze Insurance Association.

The foregoing shows 32 marine companies—20 British, 7 Australian, 4 New Zealand, and 1 German. There are three companies in the list whose head offices are in China, but it is understood they are British companies. As in the case of fire business, no statistics are in existence as to the amount of business transacted. The British companies, however, issue fully two-thirds of the policies taken out.

There are no special forms of insurance in force in Victoria of an unusual nature which need be described. Almost all the companies here transact general insurance in addition to their principal business, and issue policies against accident, plate glass, live stock, and burglary.

LEGAL REQUIREMENTS IN VICTORIA.

An annual license must be taken out by all fire, marine, and other insurance companies (excepting life insurance companies), and a tax

of £1 10s. (\$7.29) is charged on every £100 (\$486.65) or part of £100 premiums, with a minimum annual payment of £50 (\$243.32). The regulations relating to this are as follows:

To be taken out by any company, person, or firm of persons, whether corporate or unincorporate, who carry on in Victoria any fire, fidelity, guaranty, or marine assurance or insurance business whatever, and whether the head office or principal place of business of such company, person, or firm of persons is in Victoria or elsewhere: Thirty shillings for every £100 or part of £100 of premiums of any kind whatsoever received or in any manner charged in account by any such company, person, or firm or by his or their agents during the twelve months preceding the year for which such license may be taken out. Such premiums shall be the gross premiums and be counted so as to include any commission or discount, but to exclude any portion of such gross premiums actually paid away by way of reinsurance effected in Victoria with any other such company, person, or firm, and the duty in respect of any one license shall not in any case be less than £50.

It will be seen from the foregoing general description of the governmental regulations in force that there are no enactments, either as regards income tax, other taxation, or general laws, which are prejudicial to American interests.

FIRE PROTECTION AND STATISTICS.

The State of Victoria contains about 87,884 square miles, and a population of 1,210,880. According to the last census, taken in 1901 (the latest statistics available), the total number of houses in the State was as follows: Brick, stone, concrete, etc., 75,696; wood, iron, lath and plaster, 166,356; slab, bark, mud, etc., 2,896; materials unspecified, 5,187; stores, offices, and public buildings, 98; total, 250,233.

For the purpose of fire protection Victoria is divided into two districts, one consisting of the city of Melbourne and suburbs, having a population of 496,019 and 100,367 houses, is controlled by the metropolitan fire brigade board, and the other, consisting of the rest of the State with a population of 714,803, and 149,866 houses, is controlled by the country fire brigades board. The two boards are independent of each other, and are not subject to a central authority. Therefore, statistics in regard to fires are not uniform, the metropolitan board keeping them in detail while the country board, which controls 97 brigades, keep figures of only a general nature. Owing to the sparse records of the country board the only statistics possible to procure as to alarms of fires for the whole State are given below and are obtained by combining figures kept in common by both boards:

Fire statistics in Victoria.

District.	Alarms.		Fires.		
	Total.	False.	Buildings.	Chimneys.	Rubbish, etc.
Metropolitan	1,204	577	410	99	118
Country	592	105	462	-----	25
Total	1,796	682	872	99	143

The metropolitan board controlling a population of 496,079 and 100,367 houses, as before mentioned, possesses very complete records and has furnished the following return for the year 1904:

Total number of fire alarms, 1,204; false alarms, 577; number of fires in brick or stone buildings, 191; wooden buildings, 178; other than building fires, 41; total, 410. Confined in building or place of origin, 365; extending to adjoining buildings only, 39; extending beyond adjoining buildings, 6; fires confined to floor on which they originated, 333. In addition to the above 410 fires there were 118 rubbish and grass fires and 99 chimney fires. No information as to the losses by fire either insured or uninsured is obtainable as no collective statistics are found to be in existence.

VALUES OF FOREIGN COINS AND CURRENCIES.

(As given by the Director of the United States Mint and published by the Secretary of the Treasury, October 1, 1905.)

COUNTRIES WITH FIXED CURRENCIES.

Countries.	Monetary unit.	Value in U.S. gold, 1905.	Coins.
Argentina	Peso	\$0.96, 5	Gold—argentine (\$4.82, 4) and 1/2 argentine; silver—peso and divisions.
Austria-Hungary	Crown	20, 3	Gold—20 crowns (\$4.05, 2) and 10 crowns.
Belgium	Franc	19, 3	Gold—10 and 20 francs; silver—5 francs.
Brazil	Milreis	64, 6	Gold—5, 10, and 20 milreis; silver—1, 1, and 2 milreis.
British N. A. (except Newfoundland).	Dollar	1.00	
British Honduras	do	1.00	
Chile	Peso	36, 5	Gold—escudo (\$1.825), doubloon (\$3.65), and condor (\$7.30); silver—peso and divisions.
Colombia	Dollar	1.00	Gold—condor (\$9.047) and double condor; silver—peso.
Costa Rica	Colon	46, 5	Gold—2, 5, 10, and 20 colons (\$9.30, 7); silver—3, 10, 25, and 50 centimos.
Cuba	Peso	91	Gold—doubloon (\$5.01, 7); silver—peso (50 cents).
Denmark	Crown	25, 8	Gold—10 and 20 crowns.
Ecuador	Sucre	48, 7	Gold—10 sucres (\$4.8665); silver—sucre and divisions.
Egypt	Pound (100 piasters)	4, 94, 3	Gold—10, 20, 50, and 100 piasters; silver—1, 2, 10, and 20 piasters.
Finland	Mark	19, 3	Gold—10 and 20 marks (\$1.98 and \$3.85, 9).
France	Franc	19, 3	Gold—5, 10, 20, 50, and 100 francs; silver—5 francs.
Germany	Mark	23, 8	Gold—5, 10, and 20 marks.
Great Britain	Pound sterling	4, 86, 64	Gold—sovereign (pound sterling) and half sovereign.
Greece	Drachma	19, 3	Gold—1, 10, 20, 50, and 100 drachmas; silver—5 drachmas.
Haiti	Gourde	96, 5	Silver—gourde.
India	Pound sterling	4, 86, 64	Gold—sovereign (pound sterling); silver—rupee and divisions.
Italy	Lira	19, 3	Gold—5, 10, 20, 50, and 100 lire; silver—5 lire.
Japan	Yen	49, 8	Gold—1, 2, 5, 10, and 20 yen.
Liberia	Dollar	1.00	
Mexico	Peso	49, 8	Gold—5 and 10 pesos; silver—peso and divisions.
Netherlands	Florin	40, 2	Gold—10 florins; silver—1, 1, and 2 florins.
Newfoundland	Dollar	1.01, 4	Gold—\$2 (\$2.02, 7).
Norway	Crown	25, 8	Gold—10 and 20 crowns.
Panama	Balboa	1.00	Gold—1, 2, 5, 10, and 20 balboas; silver—peso and divisions.
Peru	Sol	48, 7	Gold—libra (\$4.8665); silver—sol and divisions.
Philippine Islands	Peso	60	Silver—peso, 50, 20, and 10 centavos.
Portugal	Milreis	1.08	Gold—1, 2, 5, and 10 milreis.
Russia	Ruble	61, 5	Gold—imperial (\$7.738) and 1/2 imperial (\$3.859); silver—1, 1, and 1 ruble.
Spain	Peseta	19, 3	Gold—25 pesetas; silver—5 pesetas.
Sweden	Crown	25, 8	Gold—10 and 20 crowns.
Switzerland	Franc	19, 3	Gold—5, 10, 20, 50, and 100 francs; silver—5 francs.
Turkey	Piaster	64, 6	Gold—25, 50, 100, 200, and 500 piasters.
Uruguay	Peso	1.03, 4	Gold—peso; silver—peso and divisions.
Venezuela	Bolivar	19, 3	Gold—5, 10, 20, 50, and 100 bolivars; silver—5 bolivars.

COUNTRIES WITH FLUCTUATING CURRENCIES. ^b

Country and monetary unit.	Jan. 1, 1905.	Apr. 1, 1905.	July 1, 1905.	Oct. 1, 1905.	Country and monetary unit.	Jan. 1, 1905.	Apr. 1, 1905.	July 1, 1905.	Oct. 1, 1905.
Bolivia: Silver boliviano	Cts. 43.1	Cts. 43.9	Cts. 42.2	Cts. 44.1	China—Continued.	Cts. (c)	Cts. (c)	Cts. (c)	Cts. (c)
Central America: Silver peso	43.1	43.9	42.2	44.1	Hongkong tael	69.9	71.2	68.4	71.5
China:					Nankin tael	67.9	69.1	64.8	
Amoy tael	70.7	71.9	69.1	72.4	Ningpo tael	66.3	67.4	66.4	67.9
Canton tael	70.5	71.7	68.9	72.2	Nanchang tael	68.0	70.1	67.4	70.6
Chifu tael	67.6	68.8	66.1	69.2	Peking tael	64.5	65.7	63.1	66.1
Chinkiang tael	69.0	70.3	67.5	70.7	Shanghai tael	65.3	66.4	63.8	66.9
Fuchan tael	65.4	66.5	63.9	66.9	Suntow tael	71.1	72.4	69.5	72.8
Hankwan (customs) tael	71.9	73.2	70.3	73.6	Tientsin tael	68.5	69.7	67.0	70.1
Hankau tael	65.1	67.3	64.7	67.7	Paras:				
					Silver kran	7.9	8.1	7.8	8.1

^aThe rupee, \$0.8244, 15 to the sovereign, constitutes the money of account.

^bThe coins of silver-standard countries are valued by their pure silver content, at the average market price of silver for the three months preceding the date of the circular issued by the United States Treasury Department.

^cThe "British dollar" has the same legal value as the Mexican dollar in Hongkong and Labuan.

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the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1995. The public sector has become a major employer in the UK, and its growth has been a major factor in the overall growth of the economy.

The public sector has also become a major provider of social services, and its growth has been a major factor in the overall growth of the economy. The public sector has become a major provider of social services, and its growth has been a major factor in the overall growth of the economy. The public sector has become a major provider of social services, and its growth has been a major factor in the overall growth of the economy.

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